*The China Weekly*

# REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

# Mr. Pierson's Investigation of America's Trade Position in China

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The Coronation of King George VI

All Europe Studies the Map—and Arms

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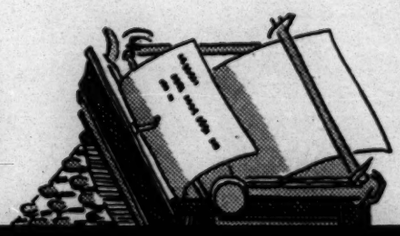

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# 密勒氏評論報
# The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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## LUCKILY THERE WILL BE NO "REMEMBER THE HINDENBURG" SLOGAN

THE outburst of Dr. Hugo von Eckener when he heard of the sudden destruction by burning of the *Hindenburg*, that it was the result of sabotage, was the natural reaction of a master craftsman who in the space of a few hours had suffered the loss of his principal opus. He could not believe it possible that such a disaster could have been the result of accidental causes. The famous pilot and airship genius shortly afterwards, however, saw fit to revise his opinion, after a German expert who had inspected the wreck expressed the opinion that the fire had been caused by hydrogen (which had been discharged from the huge gas-bag in order to lower the ship) becoming ingnited, either by an electrical discharge in the atmosphere or by back-fire from the ship's engines. It undoubtedly was a revelation to the public in general that hydrogen was still being used in the Zeppelins and it now transpires that regulations imposed by the American Government to hamper the export of the non-inflammable helium gas (which is a natural product found in the state of Texas, and of which the United has a monopoly) had made the use of helium practically prohibitive for the Zeppelin Company, and it therefore had fallen back on the dangerous hydrogen to inflate its airships. As has been the case thousands of times in the world's history it has taken a tragedy to bring public attention to a dangerous state of affairs. The aftermath is that the Zeppelin Company has decided not to carry passengers on airships unless it can secure helium, and the American Government has taken steps to make it possible for this German airship concern to get this gas on much easier terms than those in force up until the time of the holocaust at Lakehurst—which was responsible for more than thirty deaths and the serious injury of more than a score of human beings. Investigations into the cause of the destruction of the *Hindenburg* are also being made by various branches of the American Government,

but it is not likely that any of them will bring in a finding that it was due to sabotage, seeing that a German expert has discounted any such theory. Had Dr. von Eckener's first outburst had any foundation, the slogan "Remember the Hindenburg" might have become as famous in history as was the pre-Spanish-American war slogan "Remember the Maine."

## THE CORONATION OF KING GEORGE VI

THE coronation of King George VI, while it lasted, was the Greatest Show on Earth, with practically the whole world as interested and approving spectators—all except the Land of Mussolini, which has shown exceedingly bad taste in venting its displeasure concerning things English by practically boycotting the event. Probably no people on earth are more practical, in many ways more sordid, than the English, and yet they are the greatest patrons on earth of pageantry. There is hardly a single Englishman that doesn't realize the fact that this coronation, in common with other spectacular events of less significance, is in considerable degree a matter of make-believe. But the idea back of it is an exceedingly practical one. The British are probably the best experts on human nature in the world. They showed that during the World War. Imperial Germany would have won the war if the final decision had rested on armaments. The real thing that beat the Kaiser's cohorts was that when it came to the test they were no match for the British in evaluating human nature. The British have that rare quality of being able to unbend in a dignified manner. A prominent French journal several years ago, in printing a picture of a high British government official "shooting the chutes" on the seat of his trousers at an exhibtion while he held his high hat aloft in one hand and his cane in another, remarked that no French official could do such a thing and continue to hold the esteem of his fellow citizens. The British go in for pageants with pretty much the same idea that the Shriners come out to the Far East from Seattle and San Francisco dressed in odd costumes and talking about camels and burning sands. These "fictions" serve as cement to bind together in good fellowship the brethren across the seas. They serve for the time being to lift both those who participate and those who look on, out of the dulness and cruelty of everyday competitive life. To a large extent the British Monarchy itself is merely an emblem, but it is none the less potent because of that fact. *Per se* it is a highly expensive institution, but the *per capita* cost of government in Great Britain, nevertheless, is as low as any in the world. Like with many another empire, the origins of many of the British possessions will not bear too close inspection. But, despite that fact, the regions where the British flag flies to-day allow the individual a degree of freedom unknown in many other lands. That is a characteristic that particularly appeals to Americans. The British, it is frequently said, "muddle through." Maybe they do. But a great deal of their success is due to the fact that they are not stubborn in pursuing a wrong course when they once realize that it is wrong. No better example of that can be found than here in China. Probably no two countries were ever more at opposite poles than China and Britain a little over a decade ago. But, as the result of a change of policy, on Britain's part, no two countries have ever been drawn more closely together than is the case with Britain and China to-day.

## DISCRIMINATION AGAINST THE JEWS

AN interesting feature of Hollywood movie production in recent years is the plethora of productions that are exceedingly complimentary to the British. Take, for example, such films as "The Charge of the Light Brigade," "Lloyds of London," "The Bengal Lancers", and others. For some reason or other, when ship scenes are shown, the officers usually wear the British uniform. By the same token it is to be noted that there are hardly any films that are complimentary to Germany. It seems that the Israelites who are the main financiers of Hollywood productions are in this subtle way expressing their debt of gratitude to the British for their assistance, as opposed to the Jew-baiting policy of Herr Hitler, the latest example of which is that on May 7 a decree was issued in Berlin precluding Jews from taking an examinations for a doctor's degree. It is an historical fact that the decline of Spain was a consequence of the driving out of the Jews in the sixteenth century. Whether Herr Hitler will bring down upon Germany a similar fate by his anti-Jewish policy remains to be seen, but it is a fact that the Jewish people through their international connections are able to exert pressure in many subtle ways. In the United States there has never been any discrimination politically against Jews, but undoubtedly there has been socially, at times. The Jewish problem, however, injects itself into America's foreign relations. For example when Henry Morgenthau was made Ambassador to Turkey twenty years ago comment was made that it was one of the few countries to which a Jew could be sent. A striking example of how conditions change in the course of time is to be seen at Saratoga Springs, New York. When this resort was in its heyday the leading hotels excluded the Jews. But things are different now. In the intervening years Jewish financiers bought many of the hotels and the famous Springs are now one of the principal centers of Jewish culture in the United States.

# Mr. Pierson's Investigation of America's Trade Position in China

JAPANESE editorial comment on the arrival in China of Warren L. Pierson, President of the U. S. Import and Export Bank, was more moderate than that with which the Japanese press greeted Sir Frederick Leith-Ross, head of the British Export Guarantee Department, and his successor, W. M. Kirkpatrick, last year. When Leith-Ross made his first trip to North China, the Japanese newspapers published rabid editorial warnings and practically told him to get out of the country, or at least that part of China which the Japanese Army had staked out for itself.

But while the tone of the Japanese press has moderated somewhat, it is still obvious that the Japanese have little enthusiasm for Mr. Pierson. Owing to the close control which the Japanese Government, particularly the military branches, now exercise over the Japanese newspapers and news services, the reports in the Japanese press are significant as an indication of official opinion.

Warren L. Pierson, who represents a new departure in U. S. governmental activities, is a native of Princeton, Minnesota, where he was born on August 29, 1896. He received an A. B. degree from the University of California in 1937 and an Ll. B. at Harvard in 1922. Mrs. Pierson, who was formerly Miss Eleanor Mehnert of St. Louis, is accompanying Mr. Pierson on his Far Eastern trip. After practicing law in Los Angeles for ten years, Mr. Pierson was appointed counsel for the Reconstruction Finance Corporation in 1933 and the following year became general counsel and trustee of the Export-Import Bank in Washington, a position which he held until recently when he was elected President of the institution. Mr. Pierson's war record included that of an ambulance driver in the French Army and service as a first lieutenant in the 101st Field Artillery, 26th Division, A.E.F.

Mr. Pierson arrived in China on April 22 and has since devoted himself to an investigation of economic conditions. He is now on a trip to Canton and has announced his intention of remaining in the country from six weeks to two months, devoting most of the time to travel, interviewing officials and a first-hand investigations of conditions.

The Import Export Bank of the United States was created for the purpose of assisting American manufacturers and producers of raw materials, including agricultural products, in financing sales of American goods abroad. Its object is not to supplant private banks, but to cooperate with them in extending credit facilities where such are necessry in promoting the sale of American products.

The bank's procedure is somewhat as follows: Should a manufacturer of machinery have an opportunity to sell his product in China and the Chinese purchaser is unable to make payment in cash, the American manufacturer would approach the Import-Export bank for assistance in financing the deal. If the managment of the bank considered the proposition a good risk, the bank might agree to advance money to the manufacturer for a portion of the amount involved, the balance to be raised by the manufacturer himself through private banking channels. In case the American manufacturer desired to sell materials to the Chinese Government, the same procedure would be followed, except that the management of the Import-Export Bank, if it considered the proposition sound, might agree to accept the notes or other obligations of the Chinese Government for a portion of the sum involved, leaving the manufacturer to finance the remainder through private banking channels.

Unfortunately some of the local newspapers, in reporting Mr. Pierson's arrival and in describing the object of his trip, linked his activities with a local private financial enterprise which was being promoted by a former official of the American Chamber of Commerce. This resulted in the public's obtaining an incorrect idea regarding the purpose of Mr. Pierson's trip. The scheme which was promoted by the former official of the American Chamber who has since returned to the United States, involved the raising of a fund of U. S. $150,000,000 for the purpose of financing industrial development in China in such manner as to create a market for American machinery. According to the report an attempt was made a year ago to borrow 80 percent of the $150,000,000 from the Import-Export Bank, but apparently without success. It was claimed that some 20 American industrial concerns, including the U. S. Steel Corporation, General Electric Company and affiliated enterprises were interested in the enterprise.

Aside from the natural interest of the directors of the Import-Export bank in all proposals for enlarging the market for American products, it was understood there was no connection between the enterprise referred to in the preceding paragraph and Mr. Pierson's trip of investigation.

When asked regarding the reports in the newspapers that he planned to make large loans to the Chinese Government, Mr. Pierson stated that there apparently was a misapprehension re-

garding business organization in the United States and the relationship of business to the federal government. Despite much political propaganda to the contrary, business in the United States is still privately owned and controlled and there is no all-powerful official organ in existence which is in a position to dictate the activities of American firms in the foreign field. Mr. Pierson attributed the misunderstanding to propaganda from certain sources in Europe where dictatorial administrations are in existence. Regarding reports that America was contemplating a general "withdrawal" from the Far East, Mr. Pierson said these reports apparently had originated in the Philippines where the United States was taking steps to grant independence to the Islands, but even there it did not mean an American business withdrawal. While some concerns might contemplate a withdrawal, others might be considering an extension of their activities, he said. A further misapprehension regarding industrial development in the United States, particularly with respect to foreign trade, was that foreign trade was not a primary incentive of American businessmen who are interested, first of all, in supplying the vast domestic market within the United States. In some European countries, such as Germany for example, foreign trade is a fundamental consideration; hence the government-controlled industries of that country are willing to extend longer credits, accept lower prices and take other speculative risks in order to obtain contracts than is the case in the United States. Generally speaking, American manufactured articles, particularly in engineering lines, are of higher grade and cost more than similar articles from many other countries where lower wage levels prevail.

In an interview with correspondents of American papers in Shanghai Mr. Pierson stated that his trip was purely for purposes of investigation, and that the bank with which he was connected had no intention of supplanting the normal activities of private banks. He expressed the hope that concrete proposals stimulated as a result of his trip might be financed through private financial organs rather than through the government organ. He said that on several recent occasions, notably the sale of American cotton to Italy and machinery to certain South American countries, most of the credits had been taken up by the private banks.

The *Shanghai Nippo*, which allegedly serves as the mouthpiece for Japanese Military Headquarters in Shanghai, reprinted the reports from the English language papers regarding Mr. Pierson's arrival. The editor of the *Nippo* then declared that it was natural for the United States to pay particular attention to the "close relations of Japan and England with China." In order to sustain its superior position in the trade of China the United States could not ignore what other countries are doing in this part of the world. This constituted the real reason why this prominent American banker was visiting in China. Declared the *Nippo*:

> "Despite declarations of Mr. Pierson to the contrary, the bank which he represents is known to have extended credit loans to Mexico and other small American countries which were concerned with important political problems involved in the connections between the United States and those countries. Therefore, Mr. Pierson's announcement that his trip aimed at investigation only of local financial and industrial conditions and did not carry any political significance should not be trusted. The visit to China of Mr. Pierson and the British financial agent, W. M. Kirkpatrick, indicate an intensification of the economic activities of various foreign countries in China, thereby leading to acute competition. In consequence these activities will inevitably have a bad effect on the political and economic situation in China. It is clearly understood that these activities will sow the seeds of evil to the detriment of Oriental peace. Our 'Oriental peoples' are opposed to such activities. Therefore, the Chinese National Government should have a perfect understanding of the recent economic penetration of various countries into China and should warn themselves with regard to the transformation of China into a colonial market for these foreign countries. On the other hand, in promoting closer relations with China these foreign countries should not overestimate their own expansion and development. Although it is claimed that their foreign capital does not contain elements of aggression, yet these countries should not direct their attention toward China only, but should think of the Orient as a whole."

While the activities of the Import and Export Bank have been concerned primarily with Europe, Central and South America, it has had a prior connection with China. Two so-called commodity loans obtained by the National Government in the United States in recent years are now held by the Import-Export Bank, of which Mr. Pierson is President. These loans include wheat obtained in the United States several years ago by the National Government for famine relief purposes and also the so-called cotton and wheat loan which was negotiated by T. V. Soong, former Minister of Finance. Mr. Pierson stated that China's payments on both of these loans to the Export and Import Bank had been made regularly and in consequence China's credit in the United States was considerably higher than that of certain other nations, which were in default on obligations extending back to the World War.

Although not mentioned by Mr. Pierson, an important element in the situation is the fact that America's position as the leading supplier of foreign products to China is being undermined not only by Japanese competition, but also by competition of various European countries, particularly Germany. According to statistics published by the *China Evening News* on April 30th, Japan's position in China's foreign trade has advanced from third to second place, and in the first quarter of the present year Japan was only $4,000,000 behind the United States with Germany in third position, Britain fourth and the

Netherlands East Indies fifth. These figures, obviously, did not include vast quantities of goods which are being smuggled into China, by Japanese agencies. It is quite apparent that if the value of Japanese goods smuggled into China was added to that which comes in legally through the Customs, Japanese trade probably would be far ahead of that of the United States.

While certain groups, such as the isolationist, professional pacifists and some Congressmen, would force America to withdraw from the Far East entirely, this feeling apparently does not prevail in higher administrative circles, because it did not require any statement from Mr. Pierson to indicate that the United States intends to exert reasonable effort to maintain its position in the trade of this country.

## JAPANESE COMMENT ON POSSIBLE SINO-JAPANESE COOPERATION

Commenting on Sino-Japanese cooperation and the recent activities of various foreign powers in China, the *Shanghai Nippo* in its leading editorial May 3 wrote:

"During the middle part of last March, the Japanese Economic Delegation visited China for about half a month, exchanging opinions with the Chinese authorities and nationals for the pacification and harmonization of the ill-feeling between these two nations, thereby giving the hint with regard to forthcoming Sino-Japanese cooperation. Thus, it is certain that the recognition of China by the Delegation will furnish good material for the shaping of Japan's policy towards China. However, it will more or less be revealed from the policy vis-a-vis China, which has been carried out by Ambassador Kawagoe to Japan. As the main purpose of the trip of the Delegation to China was aimed at submitting a report to the Japanese Government with regard to the practical political and economic conditions in China, in order to help the latter to shape a good policy towards China, it is understood that only a half of its mission has been achieved. The other part of its mission was to attend the plenary session of the Sino-Japanese Trade Federation. One month having elapsed since the close of the session, no development has been seen with regard to its decisions. Strictly speaking, the activities of the Federation are entirely dormant. During the session, the Chinese side voiced that Sino-Japanese economic cooperation must be preceded by the settlement of Sino-Japanese political issues, and thus brought forth the problems of smuggling in North China, the Eastern Hopei Regime, and also the political power of Hopei and Chahar, before the Delegation. At present, the inactivity of the Federation might be one of the manifestations of the Chinese idea to the effect that Sino-Japanese political and economic affairs must be concurrently settled.

"The only substantial effect reaped by the visit of the Japanese Economic Delegation to China is the delivery of silver held by Japanese banks to China, which is connected with Sino-Japanese economic relations, besides which nothing further has been accomplished. Even the plan of the Chinese sugar merchants for taking an investigation trip to Japan has been cancelled after the Delegation returned to Japan. On the other hand, the recent activities of Mr. Kirkpatrick, representative of the Export Credit Guarantee Department of the British Government, and Mr. Pierson, President of the American Import-Export Bank, have silently reaped a rich harvest in China. The recent accomplishments, which have been made by investments of England, the U.S.A., and others in the economic reconstruction of China, are too numerous to be mentioned. Here is the list:—

"(1) The plan for the completion of the Canton-Meihsien Railway; (2) That for the prolongation of the branch line of the Canton-Hankow Railway; (3) The establishment of a paper mill in Wenchi (溫溪); (4) The establishment of a large cotton mill in Chialing (嘉陵); (5) The opening of mines and construction of highways in Yunnan, etc. Such radical activities have been conducted by other foreign powers in China, following the return of the Japanese Economic Mission to Japan. Even towards the construction of the Tientsin-Shihchiachuang Railway, as voiced by our authorities, the Chinese Ministry of Railways has recently raised an opposition; and yet, the Chinese authorities have not expressed any opinions towards the silent acquisition of rights and privileges in China by England and the U.S.A. It should be given to understand that such foreign investment, which contains the ulterior motive of encroachment upon China, will cause much friction in the Far East, against which we should strictly guard.

"During the present period of world crisis, when all countries are rushing preparations for war, the purpose of the investment in China by the distant foreign countries is clearly shown in the recent military preparations, which have recently been made by different foreign powers in South China. Their main motives are to strengthen the defense of India or the Philipine Islands, which should be understood as their malicious intention and plot against the close relations between Japan and China. Predicting the future of the activities of Japan, Germany, Italy, England, France, and Soviet Russia, we should have a real recognition of the existing practical conditions.

"Since the visit of the Japanese Economic Delegation to China, the feeling between the Japanese and Chinese nationals has been harmonized and pacified through cultural, religious, and athletic cooperation between these two nations. Since the Chinese nationals entertain such a good feeling towards Japan, we wonder why the National Government, which represents the people's opinion, has assumed such a passive attitude towards Japan. Frankly speaking, the National Government has only orally voiced Sino-Japanese cooperation and, in fact, has done nothing at all. It has thus ignored the people's opinion. Since the Chinese nationals always hated to see that their nation will be reduced to a colony of other foreign countries, and yet the National Government lacks sincerity in cooperation with Japan as well as a perfect understanding of Oriental peace, which fully shows the deeply rooted characteristic of its willingness to reduce itself to a colony of others.

"Should China really endeavor to have a real understanding of Oriental stabilization and entertain considerable zeal for the regeneration of itself, it should first keep in contact with the activities of Japan in China and the close relations of the Chinese nationals with Japan. It is expected that the Chinese authorities will pay more attention to the further recognition of Japan, as suggested by Japanese Ambassador Kawagoe."

### Japanese See Collective Security System as Danger to Their "Continental Policy"

"The Japanese authorities are generally inclined to believe in the report that the Nanking Government is planning to form a collective security system for the Pacific in conjunction with Great Britain, the United States, and other Powers as a means of checking the growth of Japanese influence in China," the Tokyo *Nichi Nichi*, April 25 stated. "Japan," the journal declared, "will maintain a firm attitude vigorously to oppose such a plan as being absolutely incompatible with the fundamental principle of the continental policy she has been followed since the Manchurian Incident in October, 1931."

"It must be noted," the *Nichi Nichi* proceeded, "that in pursuance of her classic stratagem of playing off one foreign country against another, China followed a policy of trying to check the Japanese advance in China with the assistance of the League of Nations. The League of Nations, however, has lost its influence in international politics, apart from the fact that Japan has already withdrawn from that organization.

"In these circumstances, it is believed that the Nanking Government has started preparing for the establishment of a new powerful collective guarantee system with a view to the execution of China's traditional stratagem. This policy on the part of the Chinese is likely to be all the more strengthened because the present Chinese Foreign Minister, Dr. Wang Chung-hui, is a staunch advocate of dependence on Europe and America and the League of Nations.

"In this connection, mention must be made of the fact that the relations of Japan with China are vital from the standpoint of the security of Japan's existence and, as such, are entirely different from those between China and Great Britain and the United States, which are based on the efforts of the latter nations to promote their own prosperity. It must also be mentioned that Japan withdrew from the League of Nations because the continuance of a collective guarantee system in Eastern Asia would be a great obstacle in the way of the execution of her continental policy.

"The authorities are determined, therefore," the *Nichi Nichi* concluded," to oppose any plan to create a collective guarantee system in the Pacific for the obvious reason that it would run counter to the continental policy of Japan and thus constitute a menace to the exercise of the right of Japan to exist as a nation."

## FOREIGN MINISTER SATO DISCUSSES ANGLO-JAPANESE FRIENDSHIP

Anglo-Japanese friendship was described "as one of the main pillars of world peace" by the Foreign Minister, Naotake Sato, in a lengthy review of Japan's diplomatic relations with other countries before 50 foreign press correspondents in Tokyo May 6. Japan's relations with China, Soviet Russia, Germany, and the United States, besides Great Britain, were touched upon in the course of the interview, which was the first given by Mr. Sato since his assumption of office. "More recently," he declared, "the international situation surrounding Japan has been showing signs of gradual improvement. As for myself, I am trying my best to find a solution to the many knotty problems in our foreign relations and thereby promote the peace of the world.

"I believe," the Foreign Minister said, "that Anglo-Japanese relations have taken a turn for the better following the amicable settlement of the Keelung affair and the solution of the perpetual lease question.

"I hope that the auspicious occasion will serve to strengthen this traditional friendship between Britain and Japan, which constitutes one of the main pillars of world peace."

Speaking of China, Mr. Sato declared that since the Nanking negotiations last year, "no new development has taken place in Sino-Japanese relations. Only lately, there have been indications that the two countries share the same sentiment, actuated by the same desire to seek an amelioration of the present situation, and mutual understanding is fortunately being facilitated through more frequent personal contacts between the two peoples. I am convinced that the economic mission headed by Mr. Kodama, which visited China a short time ago, accomplished much in this direction. I think we should seize every opportunity to promote a favorable and friendly atmosphere and make Sino-Japanese rapprochement and co-operation a reality."

## CHINESE COMMENT ON ANGLO-JAPANESE NEGOTIATIONS IN LONDON

Declaring that the Anglo-Japanese negotiations in London may lead to an international discussion of the Far Eastern problems because of the presence of high officials of all the important Powers in the British capital, the *Shun Pao* in an editorial May 8 said:

"China's position has long been decided. So is it also with that of Japan. It is important to find out the attitude of Great Britain, the mediator of the Far Eastern problems. After the Mukden incident in 1931 and the subsequent withdrawal of Japan from the League of Nations, British policy in the Far East is one of favoring Japan. This can be clearly seen in Stimson's book of "Far Eastern Crisis." It must be said that the destruction of the collective security pact in the Far East was due to Japan but Great Britain cannot be entirely free from condemnation. After the recognition of the puppet state of Manchukuo, British policy has undergone several changes. It must be said that Anglo-Chinese friendship has greatly improved since then.

"On the one hand, Great Britain is helping China technically and financially for the rebuilding of China. On the other Great Britain is co-operating with the United States in problems of the Far East. Meanwhile Great Britain has endeavored to settle Sino-Japanese problems peacefully. Great Britain is, of course, thinking of herself. She is in no position to participate in a Far Eastern war and meanwhile she wants to preserve her interests in China. Great Britain tries to make China accept the present situation and to recognize the already accomplished facts. Great Britain is co-operating with the United States and re-building her navy so as to persuade Japan to stop her aggressive policy. We do not mean to say that Great Britain is insincere in her attempts but we want to make it clear that Great Britain is not trying to solve the problem for China.

"Because of this attitude of Great Britain, we must watch carefully so that Great Britain will not ignore China's interests in the negotiations. We hope that no war will break out in the Far East. We hope that Sino-Japanese relations may be readjusted. But we cannot sacrifice a degree of Chinese sovereign rights or one inch of Chinese territory. If Great Britain understands the situation in the Far East, she cannot pay too much attention to her own interests. She must face realities and act under the principles of fairness and equality."

### Nanking Watches Anglo-Japanese Negotiations Closely

A *Ta Kung Pao* message from Nanking May 7 stated that great attention is being paid by the Chinese authorities in Nanking to the Anglo-Japanese negotiations in London. It is generally believed in the Capital that judging from the British policy in the Far East in the past ten years, Great Britain will not put China aside in negotiating any agreement with any country in regard to China. It is further reported, however, that China cannot tolerate any agreement between foreign countries concerning China.

The Nanking Government on May 5 received a report from Quo Tai-chi, the Chinese Ambassador to Great Britain, confirming the news that conversations aimed at securing Anglo-Japanese co-operation in China are taking place in London.

### "Lih-Pao" Fears Dismemberment of China by Britain and Japan

Commenting on the reported British-Nippon co-operation in China, the *Lih Pao*, in an editorial May 5 averred that such co-operation is aimed at the dismemberment of China. Continuing, the journal says:—"The news of co-operation between Britain and Japan first came from Tokyo. According to this information, it was Britain which has made such an offer to Japan. The main object of the dissemination of such information is, of course, to convince the world that Japan is not isolated and, at the same time, to divert the hatred of the Japanese people towards the present Cabinet. But why did Japan change her attitude toward China? For this, we must have a clear recognition of the real motive of the Japanese imperialist.

"No doubt, Mr. Sato has made many high-sounding statements following the assumption of his office as Foreign Minister. It must be given to understand, however, that the attitude of the Japanese Foreign Minister has nothing to do with the Japanese foreign policy. The Foreign Minister can by no means alter the policy of the militarists.

"For this reason, the latest Japanese offer to Britain for co-operation is aimed at the disruption of closer co-operation between China and Britain, Britain and the United States as well as that between England and Soviet Russia. Furthermore, Japan is attempting to destroy the collective peace in the Pacific. Once Japan has achieved her desire, she will again continue her Continental policy. As to Britain, it is possible that she will accept the Japanese offer and force China to make further prostration to Japan.

"We must understand, however, that, if we refuse to make further prostrations and to start our work for the recovery of lost territory, a British-Nippon compromise will be impossible."

Geoffrey Mander, a Liberal member, invited the Government in the House of Commons May 6 to make a statement with reference to negotiations between Britain and Japan concerning their interests in China. Viscount Cranborne, Under-Secretary of State for Foreign Affairs, said, in reply, that a number of informal conversations had occurred in recent months with the Japanese Ambassador, S. Yoshida, with the object of improving Anglo-Japanese relations generally. No concrete suggestions, however, he added, had hitherto been made by either side concerning their interests in China or on any other matter.

### Nanking "Sin Min Pao" Hopes Britain Will Not Listen to Overtures from Third Party

Hopes that Great Britain, because of her cordial relations with China, would give the latter great sympathy and material assistance and would not yield to the overtures of any third party which aims at pulling them apart were editorially expressed by the independent Nanking *Sin Min Pao*.

The paper also hoped that diplomatically, Great Britain would pay special attention to the establishment of a collective security system in the Pacific in spite of the menace originating from the aggressive bloc of Germany, Italy and Japan.

Great Britain, in the opinion of the journal, is naturally interested in the gigantic task of industrial and economic reconstruction that is now being pushed in China. For Great Britain, the paper said, believes that in a prosperous China lies the solution to world economic difficulties and guarantee for international peace.

This conception, the *Sin Min Pao* pointed out, is entirely different from that entertained by the Island Empire. Japan is advocating an exclusive Japanese "Monroe Doctrine" in the Far East; whereas Great Britain stands for the open door policy in China.

Regarding the reported Anglo-Japanese negotiations in London, the paper maintained that Japan is taking the initiative in the hope that she might reach a compromise with Britain concerning the so-called spheres of economic interests in China.

### "China Times" Dubious—Fears Uneasiness Among People

The reported Anglo-Japanese negotiations now going on in London with a view to achieving closer relations between the two countries will not have any far-reaching results, but will only cause uneasiness among the Chinese people, declared the *China Times* in an editorial May 8.

The fixed policy of Great Britain, the journal explained, is to maintain world peace and she would be only too glad to respond to the friendly move of any country, which is willing to shake hands with her.

Furthermore, the daily continued, peace and the balance of power in the Far East are founded on the territorial and sovereign integrity of China. If Japan cherishes no desire to reorientate her previous aggressive attitude toward this country, it is doubtful that she would change her China policy by conducting negotiations with London.

Continuing, the paper urged the Chinese people to be calm over the issue and to redouble their efforts in national rejuvenation.

China's fixed national policy, the paper declared, will not be changed in the face of foreign aggression or conclusion of any new international agreements regarding her destiny.

### "China Evening News" Says Negotiations Depend on Japan's Real Attitude

Declaring that the future of Anglo-Japanese talk in London depends on the real attitude of Japan, the *China Evening News*, commented editorially:—

"It is true that because of the growing military strength of Great Britain, the U.S.S.R. and China, her military failure Mongolia and the serious internal problem, Japan is compelled to modify her attitude and enter into negotiations with Great Britain. It must be pointed out, however, that in addition to these above mentioned reasons, the following two must be added: (1) Japan wants to stop the growing friendly relations between Great Britain, the U.S.S.R., the United States and China, so as to destroy any organization among the peace-loving countries bordering the Pacific, and (2) Japan hopes to bring about Sino-Japanese economic co-operation and to reduce the conflict of interests between herself and Great Britain."

Declaring that Great Britain demands the readjustment of Sino-Japanese relations so as to bring about Anglo-Japanese friendship, the paper continued: "Great Britain has already asked Japan

to make concrete proposals regarding the matter. It is a great surprise to Japan that Great Britain should take this attitude and judging from the present situation Japan is in no position to give up her traditional policy. It goes without saying that the outlook for the Anglo-Japanese negotiations is very dark."

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### Some Chinese Hints on the Raising of Foreign Loans

Bringing forth some hints on the raising of foreign loans by China for the fostering of Chinese economic enterprises, an article, appearing in the Magazine *Shun Pao Weekly*, May 3, stated:

"The recent visits of Mr. Kirkpatrick, Special Representative of the British Export Credit Department, and Mr. Pierson, President of the American Import-Export Bank, to China are alleged to have aimed at the planning of extending export credit loans to China. According to a Tokyo message of the 20th ult., in order to promote Sino-Japanese economic co-operation, Japan will, in the near future, establish a so-called Economic Embassy in China. These three countries have obviously endeavored to form plans for making investments in this country in the form of the extension of export credit loans to the latter. The first step taken by them is to dispatch some people to conduct investigations with regard to which investment in China is most reliable and, of course, profitable, following which they will submit a report to the home governments—which, acting as a guarantors, encourage the local merchants to export goods, which are necessary to the enterprises in China. Instead of extending loans in cash, they will arrange them in the form of credits. They will apparently acquire the profit from their obligatory rights and eventually augment their export trade to China. In order to achieve national economic regeneration and extend their economic influences in China, these countries have recently done their utmost to vie with one another for prerogative rights.

"The raising of foreign loans by our country in the form of credits is naturally wiser than that, which was blindly conducted by the authorities. Since we borrow from foreign countries goods instead of money, we shall naturally choose the right goods, which we need. But special attention should be diveted towards the maintenance of national economic sovereignty in this connection, because the arrangement of such loans is one of the ways of extending loans to one country by other countries with the governments of the latter as guarantors, which indicates that, with regard to these loans, we are restricted to a control of these foreign countries to a certain degree. Should we be careless in entering a contract of such nature with another country, it will easily affect the integrity of our economic sovereignty. Besides, we should choose the right kind of imported goods, which should not evoke a bad effect on our agricultural and industrial production.

"It is a matter of indispensable necessity that our national reconstructive enterprises need assistance of foreign capital. We shall welcome foreign investment, which will not infringe Chinese economic sovereignty or hamper the development of Chinese productive enterprises."

### Warren L. Pierson Makes Investigations in Canton

Warren L. Pierson, President of the Import-Export Bank of Washington, arrived in Canton May 10. The same day, he interviewed Yu Han-mou, Pacification Commissioner for Kwangtung Province, Tseng Yang-fu, Mayor of Canton, and other Kwangtung figures. He made a short stay in Canton for the investigation of economic reconstruction and financial conditions in South China and the search for the promotion of American trade in South China. The *Shanghai Nichi-Nichi* said it was understood that, entrusted with a similar motive, which Mr. Kirkpatrick, representative of the British Export Credit Department, has entertained during his trip to China, Mr. Pierson has been commissioned to investigate Chinese financial and economic conditions with an object of augmenting the export of American agricultural and industrial products to China and, eventually, according to the Chinese authorities, *bona fide* financial assistance.

### London Journal Says Initiative Came from Japan

"I understand that Japan is making serious efforts to restore co-operation with Great Britain in the Far East," the diplomatic correspondent of the London *Sunday Times* stated May 2.

The initiative, he added, has come from Japan, and the plan is believed to include:

1. A Japanese pledge concerning the territorial integrity of China.
2. British recognition of Japan's special economic and strategic interests in North China, but the recognition of Manchukuo is not an essential condition.
3. A loan to China by Britain, Japan, the United States and France.
4. Promotion of Sino-Japanese friendship by the development of cultural associations.

Britain, the correspondent declares, will be hesitant to act unless she feels that Japanese militarists have given up their forward policy in China. Britain, anyhow, he added, will not move without the support of the United States.

The settlement of the Keelung incident has made the approach possible, according to the correspondent. Anglo-Japanese economic relations have improved, and a Japanese economic mission is visiting London in August.

### Gaimusho Says Anglo-Japanese Negotiations Are of General Nature

The Anglo-Japanese negotiations now in progress in London are of a general nature and do not involve any specific or concrete question, a spokesman of the Gaimusho told foreign correspondents in Tokyo May 10.

## Nanking Government Tightens Up Regulations on Distribution of Foodstuffs

Cheng Pao-chao, director of the newly organized Foodstuffs Bureau, speaking at a press reception given in Shanghai May 5 stated that the bureau is working for the benefit of the people in the country in matters relating to food supplies.

In order to readjust the foodstuffs of the nation, he said, a detailed investigation into the conditions of food transporattion and marketing in the country is indispensable. He reported that survey along this line has been completed in the four provinces of Kwangtung, Fukien, Anhwei and Hunan, while the food supply in Chekiang, Kiangsi, Honan, Shensi and Kansu is still under investigation. Bureau officials will be permanently stationed in Canton, Wuhu, Changsha, and Tientsin to watch for the fluctation of the market prices of rice, wheat and flour in order to formulate a scheme for their stabilization. Officials in charge of similar duties, he said, will be dispatched to other provinces and municipalities in the not distant future.

*Central News* stated that the principle that, barring special circumstances, native foodstuffs should be allowed to be transported freely throughout the whole country in accordance with their demand and supply has been retained in the revised measures for the regulation of food provisions in China. The revised measures, which represent the fruit of many weeks of study by the Ministries of Finance and Industry, were officially promulgated by the Executive Yuan May 6 for enforcement in August 1 to supersede those in force since last November.

No local authorities should prohibit or restrict the export of foodstuffs from their respective regions unless special circumstances arise, and unless permission has been previously received from the Executive Yuan for such steps, it is stipulated in the revised rules.

The Ministry of Finance is to instruct its Customs Administration to submit a report to the Ministry of Industry on the total amount and kinds of foodstuffs imported and exported every month, while the Ministry of Industry will do its part by instructing its Farm Credit Bureau to investigate the price of foodstuffs, their transportation and distribution and their storage in the principal centers in collaboration with the Foodstuff Transportation and Marketing Bureau of the Ministry of Finance.

Information on the average price of rice and wheat of standard quality should also be exchanged between the Ministries of Finance and Industry.

At the same time all provincial reconstruction departments and municipal social welfare bureaus should also make monthly reports to the Ministry of Industry on the conditions of production, transportation, distribution, consumption and storage of foodstuffs.

Whenever the Ministries of Finance and Industry deem it necessary to prohibit the export of certain kinds of foodstuffs, they should at once petition the Executive Yuan for approval. In the event of discovery by the two Ministries that certain districts lack foodstuffs and are in need of relief from other localities, they may instruct the Farm Credit Bureau and the Foodstuff Transportation and Marketing Bureau to cooperate with the local authorities in securing foodstuffs from other regions blessed with good harvest.

In the event of nation-wide shortage of foodstuffs which necessitates the importation of foreign cereals either free of duty or on reduced customs rates, the said Ministries should, with the approval of the Executive Yuan, entrust the Farm Credit Bureau and the Foodstuffs Transportation and Marketing Bureau with the purchase and transportation of imported provisions. No merchants should be allowed to import foreign foodstuffs.

## Paris Grants Loan to China for Szechuen Railway

Lion Fou-cheng, who unexpectedly passed through Manila May 11 on his way to Shanghai, declared that he had been successful in negotiating in Paris a loan for the Chinese Government amounting to C. $34,500,000 to be used for railway construction in Szechuen. The loan, he declared, would be repayable in fifteen annual instalments. The Chinese Government, he added, had accepted all the conditions for the loan, which had been negotiated through the Banque Franco-Chinoise.

# Sino-Japanese Concern to Mine Rich Iron Deposits in East Hopei

Preparations for the establishment of a joint Sino-Japanese concern to mine the newly found rich iron ore deposits in Luanhsien are reported by the Industrial Department of the East Hopei Autonomous Anti-Communist Government to be in progress. The iron vein is said by the Department to contain 50,000,000 tons of iron. The purity of the ore was said to range between 50 and 60 per cent. The deposits, the announcement said, command easy means of transportation, being located on the Luan River.

Also found, according to the statement, were deposits of manganese ore, estimated at 10,000,000 tons. Their location was given as Changping-hsien.

**District Magistrate of Tientsin Warns Against Secret Sales of Land**

Secret sale of houses, land and farms to foreigners is strictly prohibited, according to a proclamation by Chen Chung-yo, District Magistrate of Tientsin. The chiefs of the various districts were summoned by Mr. Chen May 3, when they were warned to uphold the integrity of national territory. Severe punishment will be meted out to any person engaged in secret land transactions with foreigners.

**New Japanese Barracks Ready in Tientsin**

The Japanese barracks in North China have been completed. Situated at Tungchutze (Tientsin area), these new barracks are capable of accommodating over 10,000 Japanese soldiers. A ceremony was held May 9 by the Japanese troops marking the completion of the barracks.

**General Sung Objects to Increase of Salt Tax in North China**

According to reports, General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, acting in concert with General Han Fu-chu, Chairman of Shantung, has raised opposition against Nanking's proposed increase of the salt tax in the North China Provinces.

**Gen. Chang Tse-chung Negotiates for Abolition of East Hopei Regime?**

Gen. Chang Tse-chung, mayor of Tientsin, who is visiting Japan as head of an investigation party sent by the Hopei-Chahar Political Council, is exchanging opinions with the Japanese leaders, regarding the abolition of the bogus East Hopei regime, according reports reaching Peiping.

**Woollen Plant to Be Established by Japanese in Tientsin**

Enlarging its operations in North China, the Manchuria-Mongolia Woollen Weaving Co., Ltd., will soon begin the construction of a factory in Tientsin, the firm's sales office in the northern port announced May 6. The plant will cost Yen 2,000,000 and employ 1,000 mill hands. It is expected to go into operation early next year.

**Anti-Smuggling Association Established in Tientsin**

The anti-smuggling association was inaugurated May 1 at Tientsin with over 200 members, mostly of whom are students. The association has two departments, one investigates the smuggling activities and reports them to the Customs authorities while the other tries to inform the public of the kind of smuggled goods now being sold in the market so that no smuggled goods will be purchased by any patriotic citizen.

**Large Concern to Market Smuggled Goods Being Planned in Fukien**

A large-scale concern, to be financed by "certain quarters," is being secretly planned to push the smuggling activities in various hsien in southern Fukien, a message from Foochow May 6 stated.

## Inspector-General Maze Urges Rearming of Customs Vessels and Guards

The rearming of Customs vessels afloat and guards ashore was urged by Sir Frederick Maze, Inspector-General of the Chinese Maritime Customs, in an interview with *Reuter* on his arrival in London May 9 to take up his post as Counsellor to the Chinese delegation to the Coronation.

The accumulated stock of illicit cargo at Tientsin had increased to a great extent lately, he declared, owing to the fact that the Customs had recently organized preventive services on the railways and roads in the vicinity of Tientsin which had largely impeded the circulation of smuggled cargo from that port.

It should be clearly understood, he continued, that the door of East Hopei remained unguarded, and that the position of the Customs there in respect of effective preventive measures was unchanged and was not likely to improve until China's sovereign rights in the demilitarised area were effectively restored and the Customs preventive service permitted to resume its normal functions—"that is, until preventive vessels afloat and Customs Guards ashore are rearmed."

The Japanese civil authorities and some Japanese military officials had lately signified their willingness to support the efforts of the Customs to end smuggling, and this sympathetic attitude, said Sir Frederick, would undoubtedly prove useful.

Furthermore, he continued, the local provincial authorities, under instructions from the Central Government at Nanking, were rendering the preventive services effective co-operation, which had also helped considerably to strengthen the position.

Trade in the past six months, he concluded, had shown a general improvement, and revenue had increased to an unprecedented extent.

**Tientsin Customs Postpone Search of Chinese Stores**

In view of the fact that several Chinese stores have registered their contraband with the Customs and in response to the request of the Chinese Chamber of Commerce, the Customs authorities in Tientsin have postponed their search for illicit goods in the Chinese firms to a later date. The search, was originally scheduled to begin May 10.

## Motor Caravan on Its Way Back from Successful Trip to Yunnan

After a week in Yunnan, the Nanking-Yunnan motor-bus expedition—headed by Dr. Chu Min-i, Vice-Chairman of the Central Party Cultural Affairs Planning Committee, and Dr. Wu Lieu-teh, Director-General of the National Quarantine Service—departed from Kumming May 8 on their return trip to the Capital. The Nanking-Yunnan motor-bus expedition arrived in Annan, western Kweichow, May 9 from Panhsien, western Kweichow. It encountered a heavy rainstorm, which rendered travelling difficult. Shortly after the party left Panhsien, in the morning, they were surrounded by 10,000 drought refugees, who fell to their knees and appealed for succor. Dr. Chu Min-i, Vice-Chairman of the Central Party Cultural Affairs Planning Committee and head of the expedition, promised to transmit their request to the Kweichow Provincial Government.

Interviewed, Dr. Chu Min-i said that during the trip to Yunnan, he received numerous petitions from the people of the various districts visited. Most of these petitions were complaints against alleged injustices committed by the local authorities.

Dr. Chu promised to refer the petitions to the Executive and Judicial Yuans after his return to the Capital, in the hope that law and discipline would be vindicated and the welfare of the people safeguarded.

The Nanking-Kunming Caravan, sponsored by the Generalissimo, according to Gen. Lung, is a feat unprecedented in Chinese history. When the party left Nanking early in April, he said, several of his foreign friends predicted that even if the party succeeded in crossing Kweichow it would have more troubles to reach Yunnan, which has a most difficult approach.

## Academia Sinica to Push Scientific Research Work in China

Several proposals relating to the promotion of scientific research in China were adopted by the board of councillors of the Academia Sinica at the final session of its annual convention held in Nanking May 4.

Among the important decisions were included the adoption of a three-year research program and to further engage available technical talents in the country to assist in the work. Geologists will be requested to devote greater attention to the study of applied geology and a survey be made of the research societies in the nation.

It was also decided to revise the regulations governing the conferring of prizes on outstanding research fellows and that the government be petitioned to send more technical men to pursue higher studies abroad.

China's official and private participation in future academic conventions will be confined to those of strictly academic nature. The councillors further decided to expand the Engineering Research Institute of the Academia Sinica in order to undertake the research of industrial raw materials.

The next convention of the board will be held in April, 1938, the venue of which will be decided by the secretariat.

**Peiping Palace Museum Directors Hold Meeting in Nanking**

The second meeting of the Board of Directors of the Peiping Palace Museum was held in Nanking May 4 under the chairmanship of Dr. Tsai Yuan-pei, President of the Academia Sinica, who is concurrently Chairman of the Board.

## Further Denial Comes from Canton Police Bureau of Killing of Lepers

Press reports alleging that the local authorities had killed a number of lepers were officially denied by the Police Bureau in Canton May 9.

Interviewed, a spokesman of the Bureau declared: "There are several hundred lepers in this municipality. In order to protect the health of the people, the Bureau instructed the various Branch Bureaus to investigate and round up leper suspects. These were examined at a hospital and then re-examined by the Municipal Public Health Bureau. More than 80 were found to be suffering from leprosy, and sent to a small island near Lingting Yang (sea) for segregation. Those less seriously affected were sent to hospital for treatment, while those found not suffering from the disease were released. The reports that lepers have been put to death by shooting are entirely false."

# Japan's New China Policy Discussed at Tokyo Meet; Dr. Kung Represents China at British Coronation

**HIGH LIGHTS IN THE EVENTS OF THE WEEK:**

1. **Hayashi Cabinet to Formulate New China Policy on Basis of Kawagoe Report.**
2. **Dr. H. H. Kung Represents China at British Coronation as Chief Delegate.**
3. **Foreign Minister Sato Sees Way Paved for Better Sino-Japanese Understanding.**
4. **North Chahar Still Chinese Despite Occupation by Irregulars, Says Imai.**
5. **General Chiang Kai-shek Arrives at Shanghai for Further Treatment.**
6. **General Hsueh Yueh Appointed Kweichow Chairman, General Ku Chu-tung Resigns.**
7. **General Yang Hu-cheng Taken Ill, Tour Abroad Indefinitely Postponed.**
8. **First Anniversary of Death of Hu Han-min Observed in Nanking.**

Shigeru Kawagoe, Japanese Ambassador to Nanking, made a detailed report on Sino-Japanese relations at the Hayashi Cabinet's first conference of its "Big Three," War Minister Sugiyama, Navy Minister Yonai, and Foreign Minister Sato, May 10. The meeting was presided over by Mr. Sato and lasted for fully two hours. Mr. Kawagoe's report was discussed at length at the momentous meeting, following which Mr. Sato was reported to have emphasized to his colleagues the necessity for readjusting Sino-Japanese relations slowly but steadily, and according to the principle of equality and reciprocity. The "Big Three" were reportedly to have agreed that if Nanking showed sincerity and would consent to full readjustment of the relations between the two countries, Japan would consider favourably towards the dissolution of the bogus East Hopei regime. The conference decided against any idea of a collective security system on the Pacific, it was reported. The attitude she maintained at the time of her withdrawal from the League, it was emphasized, remains unchanged now. The meeting also decided to unify Japan's China policy in order to avoid fresh conflicts likely to widen the diplomatic gap between Tokyo and Nanking.

The resignation of S. Kawagoe from his post as Japanese Ambassador to China has been rejected by Naotake Sato, Japanese Foreign Minister, according to a *Central News* report May 10. Mr. Kawagoe is said to be returning to his China post end of May, equipped with new instructions.

## SATO SEES WAY PAVED FOR BETTER SINO-JAPANESE UNDERSTANDING

A broad and frank exposition of Japan's foreign relations, with special emphasis on China, was made May 6 by Naotake Sato, Minister of Foreign Affairs, in his first interview to foreign press representatives since his assumption of office two months ago. In the statement, Mr. Sato first dwelt on the Sino-Japanese question. Since the breaking off of negotiations in Nanking last year, he revealed, no new developments have since taken place in the relations of the two countries. Mr. Sato however struck an optimistic note by stating that "lately there are indications that the two countries, being animated by common sentiment, are seeking for amelioration of the present situation, and the way is being paved toward better mutual understanding through frequenter personal contacts between our two peoples." Mr. Sato said he was convinced that the Economic Mission headed by Kenji Kodama which visited China a short time ago has accomplished much in this direction. He continued: "We should, I think, seize every opportunity to promote favorable and friendly atmosphere and make Sino-Japanese rapprochement and co-operation a reality." The Foreign Minister was bluntly asked if he thought chances were bright for the Government in the near future to translate words into deeds and start negotiations with China on the basis of equality and reciprocity as he himself promised a month ago in the Diet. Pessimistic and in a bitter tone, Mr. Sato's reply was: "I am trying to seek every chance for the realization of my words, but I am rather afraid the present moment is not propitious." Touching on the North China question, Mr. Sato declared that Japan entertained no desire to set up a special and exclusive sphere of influence in North China, but it was very difficult to liquidate the outstanding political issues in quick time. Many obstacles, according to Mr. Sato, lie in the way to Sino-Japanese rapprochement. He did not explain, however, what constitutes these obstacles or what in his opinion are minor issues which should be settled first before the main difficulties are tackled.

Setting an important precedent, Foreign Minister Naotake Sato decided May 6 to bring the number of Counsellors of the Japanese Embassy in China to three, stationed in Nanking, Peiping and Shanghai. Shinrokuro Hidaka, one of the three counsellors, has already arrived in Nanking, where he will serve concurrently as Consul-General. Suemasa Okamoto will serve as Counsellor and Consul-General in Shanghai. Morito Morishima, Director of the important East Asiatic Affairs Bureau of the Foreign Office, will be appointed Counsellor in Peiping.

## WAR MINISTER SUGIYAMA DENIES CHINA INVASION PLANS

Japan does not propose to invade China, "as some Chinese people seem to think," Gen. Gen Sugiyama, Japanese War Minister, told Dr. C. T. Wang, Chinese Ambassador to Washington, on May 7. Gen. Sugiyama made this statement in the course of an interview, when Sino-Japanese relations were frankly discussed. Dr. Wang, it was understood, called in a personal capacity. The Japanese Government, the War Minister said, wished to promote the prosperity of both countries by means of co-operative undertakings, "so as to establish the security of the Asiatic peoples." Dr. Wang, *Domei* further learned, expressed his convictions that Sino-Japanese relations were capable of adjustment provided the obstacles now confronting both nations were removed. Following his conversation with Gen. Sugiyama, Dr. Wang visited Hachiro Arita, one time Ambassador to China and former Minister of Foreign Affairs, with whom he remained closeted for one hour. Dr. Wang also conferred with Naotake Sato, Foreign Minister, for about 30 minutes that morning. Continuing his journey to the United States, Dr. Wang sailed from Yokohama at 6 p.m. in the s.s. *President Hoover*.

Itaro Ishii, former Japanese Consul-General in Shanghai and late Japanese Minister to Siam, ranged himself May 10 among the advocates of "a basic revaluation" of Sino-Japanese relations. Mr. Ishii, who is on his way to Tokyo to take over the post of Director of the East Asiatic Affairs Bureau of the Foreign Office, said he "keenly realized" the need of a reconsideration of the Japanese attitude towards China. He, however, declined to discuss how this process would be carried out, pleading that he had not been officially informed of his new appointment.

## WANG CHING-WEI BRANDED AN OPPORTUNIST BY JAPANESE PAPER

Commenting on Wang Ching-wei's speech on May 3, the *Shanghai Nichi-Nichi* editorially said May 6:

"The most important statement of Mr. Wang's speech is his definition of resistance against Japan and anti-Japan. Mr. Wang declared that China is not anti-Japan but resists Japan, because of aggressions from outside. It is highly regrettable that Mr. Wang, who endeavored to readjust Sino-Japanese relations and who even nearly sacrificed his life for the cause, has changed his attitude toward Japan. This speech shows clearly that Mr. Wang changes his attitude again for the purpose of meeting the general sentiment of the people in China. Mr. Wang co-operated with the Communists. Mr. Wang co-operated with the militarists in an attempt to overthrow Gen. Chiang's power. However, he co-operated with Gen. Chiang later and worked under Gen. Chiang. Mr. Wang, who returned from Europe after the detention of Gen. Chiang in Sian, expected to lead the National Front in an attempt to suppress the Communists and the People's Front, so as to obtain political power once again. However, he found the political situation in China different from what he thought of. With the change of political situations in China in the recent months, Mr. Wang is working hard to change the impression of the general public toward him—the impression of pro-Japanese. His utterances during the ceremony in honor of those dead in Suiyuan and his recent speech are clear indications of Mr. Wang's real object. At the present time when anti-Japanese movement revives, it is highly regrettable that men like Mr. Wang shun their responsibility of readjusting the Sino-Japanese relations and instead try to obtain the support of the general public as an opportunist. We sincerely hope that Mr. Wang will realize the general situation."

## JAPAN TO SEND ONE DIVISION OF TROOPS TO TSINGTAO

Japan has decided to send three divisions of regular Japanese troops to China. One of these three divisions have arrived in

Jehol border. One division will be sent to Manchuria while the remaining division will be sent to Tsingtao, according to *China Times*.

## VOLUNTEERS IN NORTHEAST ENDANGER BOGUS STATE

The incessant activities of volunteers in the Northeast have menaced the political tranquility of the bogus state, "Manchukuo," according recent arrivals in Nanking. Since the recent unification of the command of volunteers, they said, their strength is greatly augmented. In March, armies under the command of Hsien Wen-tung and Li Yen-lu captured Ilan, Heilungkiang, and seized large quantities of arms and ammunitions. In April, men under Li Yen-lu and Chou Pao-chung jointly attacked Linkou in Heilungkiang and sacked the whole town.

According to the Japanese military authorities, about 100 members of the Yungningcheng militia and peace preservation corps, attacked Tachuanghu, town in the southwestern tip of Jehol, on April 25 and May 2. On the latter occasion, the attackers succeeded in wresting control of the town from the Manchukuo authorities after killing a Japanese police officer and six of his Manchukuo subordinates. Another Japanese officer employed by Manchukuo and three Manchukuo policemen were said to be missing. The town, however, was reoccupied by Manchukuo Army forces from Ssukaipao on May 4. A Japanese spokesman in Peiping alleged that the attacks were instigated by deserters from the brigade of Major-Gen. Hsia Tsu-ming under Gen. Liu Ju-ming of Chahar.

## KITA VISITS HONGKONG, CANTON, GOES TO YUNNAN

Major-Gen. Seiichi Kita, military attache to the Japanese Embassy to China, arrived at Hongkong from Shanghai May 7. He proceeded to Canton May 8 to see Gen. Wu Te-chen, chairman of Kwangtung, he sailed May 10 for Haiphong, Indo-China, on his way to Yunnanfu by the Yunnan Railway.

Wang Chen-yien, and six others, arrested by the police several days, confessed that they have been hired by the Japanese to make attempts on the lives of prominent Chinese journalists in Chengchow, according to *Chengchow Jih Pao* May 2.

As a result of representations made by the Chinese Embassy with the Gaimusho in Tokyo, officials of the Pan Pacific Exposition at Nagoya have accepted the Chinese demands against the existence of the "East Hopei" hall at the exhibition, *Central News* reported May 6.

## NORTH CHAHAR STILL CHINESE, SAYS MAJOR IMAI

A reply in the affirmative was given by the spokesman of the Japanese Embassy, Major Imai, when he was asked May 7 whether North Chahar, although occupied by Manchukuo levies, was still nominally Chinese. North Chahar, he pointed out, was administered by the Mongol Political Council originally appointed by Nanking, the status of which had not been changed. Reports that independence of the area had been declared were untrue.

According to a *China Evening News* report, the main purpose of Lt.-Gen. Uyeda's recent visit to North Chahar is to clear up the misunderstanding between Gen. Li Shou-hsin, commander of the "Manchukuo" troops in North Chahar and Prince Teh, commander of the Mongolian forces, and to strengthen the military forces in the area.

The movements of General Uyeda continue to be a subject of speculation in Chinese circles in Peiping. According to a Chinese report circulating May 8, General Uyeda has already visited Chapssu and conferred with Prince Teh, Chairman of the Chahar Mongol Political Council, General Li Shou-hsin, the Mongol commander of the "Manchuria" irregulars in North Chahar, General Tso Shih-hai, another Mongol leader, and General Pao Yueh-ching, a right-hand man of Prince Teh. As a result of the conference two corps of Mongol Pao An Tui will, it is stated, be organized with Prince Teh as commander-in-chief and Generals Tso Shih-hai and Pao Yueh-ching as deputy commanders. The strength of the two corps will be about 20,000 men, corresponding to two Chinese divisions.

Mongol youths in north Chahar above 15 years of age are compelled to enroll in the Military Academy which was recently opened by "certain quarters" at Changpei, according to a *Central News* report. It is also learned that Tso Shih-hai, divisional commander of the bogus Mongol irregulars, has been commissioned by "certain quarters" to head an inquiry mission to Japan, composed of 15 young Mongol officers.

Having interviewed Lin Sen, Chairman of the National Government, and Gen. Chiang Kai-shek President of the Executive Yuan, while in the South, Prince Sha, Chairman of the Suiyuan Mongolian Political Council, returned to Peiping May 9 to confer with Gen. Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, and Gen. Chin Teh-chun, Mayor of Peiping. According to Prince Sha, Kungmiaotze in the Igacho League has been chosen as the site for the Political Council. Construction funds for the Council's new building have been allotted by the Ministry of Finance.

## DR. H. H. KUNG REPRESENTS CHINA AT THE BRITISH CORONATION

Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, represented China as her Special Ambassador and Chief Delegate to the Coronation of King George VI and Queen Elizabeth of Great Britain on May 12. Dr. Kung joined representatives of all other foreign nations in the impressive Coronation procession to the Westminster Abbey. Other Chinese delegates who attended the ceremony in the Abbey were

*—China Press Photo*

**Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance,—China's Special Ambassador and Chief Delegate to the British Coronation.**

Admiral Chen Shao-kwan, Deputy Delegate; Dr. Wong Wen-hao, Secretary-General; T. K. Tseng, F. Chang, Dr. P. W. Kuo, Counsellors; Lieut.-General Y. C. Kwei, Militaty Attache; Rear Admiral S. H. Lin, Naval Attache, and Col. T. H. Shen, Air Attache. Quo Tai-chi also attended the ceremony in his capacity as Chinese Ambassador to the Court of St. James.

Confidence that China's interests would be kept in the forefront of British considerations was expressed by Dr. H. H. Kung in London May 4, when questioned by *Reuters* concerning the reports of impending negotiations between Great Britain and Japan for co-operation in China. Any such conversations, he said, might prove very beneficial. Questioned concerning the reports that he hopes to negotiate a loan in London, Dr. Kung said: "China is embarking on a wide program of economic development, for which international financial co-operation is necessary. "As Minister of Finance, I am naturally on the lookout for possibilities of borrowing more cheaply than can be done in China. At the moment I cannot say more."

Dr. Kung then declared that he had been ordered six months' treatment at Nauheim, noted health resort 24 miles northerast of Frankfort-on-Main, following the discovery that he was suffering from a slight valvular enlargement of the heart. The trouble was revealed during a thorough overhaul which he underwent in Prague. After the Coronation, the Chinese Finance Minister will attend the meeting of the League of Nations on May 26. While in Geneva he will take the opportunity to call a conference of all Chinese Ministers and Ambassadors in Europe.

A warm welcome to the Chinese Delegation to the Coronation, headed by Dr. H. H. Kung, was extended on behalf of the British Government by Anthony Eden, Secretary of State for Foreign Affairs, at a dinner May 4 given by Quo Tai-chi, Chinese Ambassador, in honor of the members of the mission. In his speech Mr. Eden pointed out that British policy has but one objective in China—to assist the Chinese people if they should need British assistance, in the work of reconstruction. A peaceful and prosperous China, Mr. Eden stated, would benefit all countries having relations with her, whether such relations are political or economic. Continuing, Mr. Eden said that formidable changes are now taking place in China and great experiments are being undertaken for the adoption of Western ideas and methods. He hopes that China will choose the best, adapting them to her own best traditions and culture. Before concluding, Mr. Eden paid a glowing tribute to the wise leadership of General Chiang Kai-shek. Dr. Kung, whose speech in Chinese was interpreted by P. T. Chen, Secretary of the Mission, thanked the host and the distinguished guests present. He desired to convey, he said, a message of felicitations and goodwill on behalf of the Chinese Government and the 470,000,000 Chinese people, who wish that the future of Great Britain under her new monarch will be marked by a reign of peace, prosperity and happiness. He pointed out that China and Britain have a common cultural outlook and tradition marked by their mutual love of peace and justice, veneration for rich heritage of their civilization, trade and other material interests. "Since the establishment of the National Government, China, under the leadership of Generalissimo Chiang Kai-shek," he said, "has persistently exerted her efforts in economic, social and political reconstruction." "I am pleased to note that influential British leaders have observed with sympathy and appreciation the progress made in China. Much has yet to be done. We believe that we are working and proceeding in the right direction. China shall evolve a stable and progressive government which will bring benefit not only to the Chinese people but also to her foreign friends."

Sir Alexander Cadogan, former British Ambassador to China, entertained Dr. H. H. Kung at dinner May 11. Several high members of the Chinese delegation have also been invited to attend. At 10.30 p.m. May 10, Dr. Kung, Admiral Chen, Dr. Wong and Mr. Quo were honored by the Speaker of the House of Commons at a reception.

## CONVERSATIONS WITH GENERAL CHIANG AND DR. WANG HELD

Dr. H. H. Kung, now in London, had conversation with General Chiang Kai-shek over the radio-phone at 7 p.m. (Shanghai time) May 7. In this conversation with the Generalissimo, Dr. Kung inquired after the latter's health and also sent greetings to Madame Chiang. After his conversation with Gen. Chiang, Dr. Kung talked with his son, Ling-kan, inquiring after the health of Madame Kung. Dr. H. H. Kung had separate talks with two high Executive Yuan officials in the evening of May 10 by radiophone. His calls relayed through Shanghai, Dr. Kung first had a 15-minute conversation with Dr. Wang Chung-hui, Acting President of the Executive Yuan and Minister of Foreign Affairs, starting from 7.45 o'clock, Nanking time. Following their talk, Dr. Kung conversed with Dr. Wei Tao-ming, Acting Secretary-General of the Yuan.

S. W. Alexander, Financial Editor of the *Evening Standard*, in an article May 7 on Sino-British co-operation, pointed out such co-operation between the two countries will prove to be good business to both sides. He attributed the recovery of the Japanese bonds to the fact that the liberal elements in Japan are becoming more powerful and that Generalissimo Chiang Kai-shek is bringing about a united China, which will be able to resist Japanese encroachment. Many leading London observers, long associated with Far Eastern affairs, believe that China has an enormous future. Moreover, they strongly believe in Generalissimo Chiang, whom they regard as a man of high integrity and one of the big figures of the world. Among those who expressed this opinion is General Woodroffe, Chairman of the Peking Syndicate, who entertained Dr. H. H. Kung at a dinner May 7.

## REPORT OF LOAN PROPOSAL IN LONDON DENIED

Members of China's delegation to the Coronation deride the report appearing in the Tokyo newspaper *Asahi* concerning proposals for a loan of £20,000,000 to China. Nothing definite, it is added, has yet been mooted.

It was reported from Tientsin in the *Shanghai Nippo* May 5 that Dr. H. H. Kung, Minister of Finance, is negotiating with the British interests in London for a loan of $40,000,000. It was further alleged that income tax will be pledged by the Chinese authorities as security for the loan.

## GEN. CHIANG KAI-SHEK ARRIVES AT SHANGHAI FROM HANGCHOW

Gen. Chiang Kai-shek, President of the Executive Yuan, arrived in Shanghai from Hangchow May 6 aboard his new private Sikorsky plane. This is the Generalissimo's second visit to Shanghai in less than two months. The Generalissimo went to Hangchow on April 30 to attend the graduation exercises of the Central Aviation Academy in the Lakeside City. General Chiang Kai-shek had an examination of his teeth May 7. The result of the examination is said to be very satisfactory.

The *Shanghai Nichi-Nichi* of May 11 stated that a suspected Japanese youth of 17 years of age had arrived here several days previously. Suspicious of his actions, the local Japanese Consular Police placed him under arrest. Under investigation, he confessed that he intends to interview General Chiang Kai-shek. The youth was later sent back to Japan.

As a result of the complete liquidation of the Shensi and Kansu problems, the National Government will call a National Defence Conference in the near future, reported *Shanghai Nippo* May 6. It is reported that all members of the Military Affairs Commission will attend this conference. For the purpose of strengthening the work of the Commission, two high military officers, Gens. Hsu Yung-chang and Chen Tiao-yuan have been appointed members of the Commission by the Central Political Council.

Wang Feng-ching, one of the remnant Communist chiefs on the Chekiang-Anhwei-Kiangsi borders, has been captured alive by troops under Gen. Liu Chien-shu, according to *Central News*.

At the present time when reorganization of the Red Army is being affected and that the plan of dividing the former Northeastern troops, the troops commanded by Gen. Yang Hu-cheng and the Red Army nears completion, the Central Government has changed her attitude toward the Chinese Communists. It is reported that the National Government asks for the handing over by the Communists the complete name list of the Communists in China. This demand, *Shanghai Mainichi* reported May 5, the Communists have declined to comply with. It is feared that Nanking-Communist co-operation will break down once again and that another suppression campaign will be launched by the Nanking Government.

Gen. Hsueh Yueh

## GEN. HSUEH YUEH APPOINTED NEW KWEICHOW CHAIRMAN

The Executive Yuan appointed May 11 General Hsueh Yueh, deputy Pacification Commissioner of Kweichow, to the post of chairman of the Kweichow Government. General Hsueh succeeds General Ku Chu-tung, director of the Generalissimo's Provisional Headquarters at Sian, who tendered his resignation as Governor because of the pressure of his other duties.

## YANG HU-CHENG ILL, EUROPEAN TOUR POSTPONED

General Yang Hu-cheng, whose resignation has already been accepted, has now indefinitely postponed his trip abroad. According to the Eurasia Aviation Corporation, General Yang has sent back all the four tickets which he bought for his trip to Shanghai. The exact date of General Yang's trip to Shanghai is unknown. Slight improvement was reported May 7 in the conditions of Gen. Yang Hu-cheng. There has been an abatement in his fever, it is learned, but his throat is still causing him trouble.

Following the resignation of Gen. Yang Hu-cheng, the Sian Pacification Headquarters are now busily winding up their affairs. Gen. Yang's troops, in the meantime, are being reorganized in accordance with the instructions of the Central Government and will be placed under the command of the Thirty-eighth Army under the supervision of the Generalissimo's Provisional Headquarters.

Current rumors that Gen. Sun Wei-ju, Chairman of Shensi, will resign his post were emphatically denied in official quarters in Nanking.

## NEW ACTING KANSU CHAIRMAN LEAVES FOR POST

Restoration of administrative unity as well as of conditions as existing prior to the Sian mutiny will be the first task in the rehabilitation of Kansu province. Thus announced Gen. Ho Yao-tsu, newly appointed Acting Chairman of Kansu, shortly before his departure for his post May 10. Gen. Ho will stop over at Hsuchow to confer with Gen. Hu Tsung-nan, Commander of the First Army, regarding defense problems in Kansu, where Gen. Hu was formerly stationed. From Hsuchow Gen. Ho will proceed by the Lunghai Railway for Sian, where he will confer with Gen. Ku Chu-tung, Director of the Generalissimo's Provisional Headquarters in Sian. From Sian, Gen. Ho will proceed to Lanchow by plane to take up his new duties.

Chinese and Mohammedans in Kansu should cooperate with each other, and it is his fervent hope to bring about closer harmony between the two peoples, declared Gen. Ho Yao-tsu, who passed thru Hsuchow from Nnaking May 10 en route to Lanchow to assume his post. Gen. Ho arrived at Sian May 11.

## 14 NANKING OFFICIALS LEAVE CAPITAL ON MISSION TO CHINGHAI

Fourteen officials, representing the Military Affairs Commission, the Ministry of War, the Directorate-General of Military Training, the Board of General Staff, and the Ministry of Communications, left May 7 aboard a chartered Eurasia plane for Sining, provincial capital of Chinghai. The mission of these officials is reported to be three-fold namely:

(1) To attend a memorial service to be held on June 1 in honor of the officers and men who died during the anti-Red campaign in Chinghai,

(2) To propagate the policies of the Central Government to the troops and civilians in the Northwest, and

(3) To investigate reconstruction developments in the border regions.

Despite customs and language barriers, the Chinese, Mongols' Mohammedans and Tibetans are living happily together in Chinghai, thangs to the enlightened administration of the Chinghai authorities, declared Chao Shou-yu, government envoy from Nanking. Mr. Chao left Sining May 10 for Yushu to meet the Panchen Lama, whom he will escort back to Tibet.

The most urgent task that he has to undertake after his assumption of office as Commissioner of Honan-Hupeh-Shensi Border Defence will be the complete eradication of the bandit remnants on the border of these three provinces, declared General Shang-kwang Yun-hsiang in an interview with the *Central News Agency* at Shanghai May 11. General Shang-kwang flew to Hankow May 14 en route to Hsiangyang to take up his new post on May 15.

## FIRST ANNIVERSARY OF DEATH OF HU HAN-MIN OBSERVED

The anniversary of the death of Hu Han-min, veteran Party leader, who was Chairman of the Standing Committee of the C. E. C., was observed at a memorial service at Central Party Headquarters in Nanking May 10. Over 700 officials were present. Yeh Chu-tsang, Secretary-General of the Standing Committee of the C. E. C., presided and delivered a eulogy on the late Mr. Hu. Mr. Hu died on May 12 last year. In view of the fact that the anniversary coincides this year with the date set for the coronation of King George VI, the Central authorities decided to observe anniversary two days earlier. A memorial service was also held at National Government House. In the course of an eloquent tribute, President Lin Sen recalled the Revolutionary career of the late Mr. Hu. Throughout his life, President Lin said, Mr. Hu disregarded his own interests and worked only for the welfare of the Party and the State. With his death, the country lost one of its most courageous and loyal citizens. A special service was also held at the Legislative Yuan, of which the late Mr. Hu was the first President. Over a hundred members were present. Sun Fo, the incumbent President, eulogized the loyalty and patriotism of Mr. Hu and urged his colleagues to redouble their efforts so that Mr. Hu's great aim—an efficient government ruled by law—may be evolved in due course.

Hu Han-min

The foundation stone of the Han-Min College was formally laid at Chihsia Shan (mountain) May 10. Among those present were Chu Cheng, President of the Judicial Yuan, and Chang Chi, member of the C.S.C. In the course of an address, President Chu said that the College is established in commemoration of the meritorious services rendered by Mr. Hu to the Party and the State. He hoped that the College will fulfil its mission of turning out men of talent imbued with the spirit of sacrifice that Mr. Hu evinced.

The anniversary was also observed at a memorial service at the Sun Yat-sen Memorial Hall at Canton. Similar services were also held in other parts of the country, including Sian, Anking. Kaifeng, Hankow, Loyang, Chengtu, and Kunming (Yunnanfu),

## LIU LU-YIN CHARGED WITH INSTIGATING YANG MURDER

Formal charges have been brought by the Public Procurator of the Wuchang District Court against Liu Lu-yin, suspended member of the C.E.C., and 9 others alleged to be involved in the assassination of the late Yang Yung-tai, Chairman of Hupeh. In the formal indictment, the Public Procurator asserts that some of the accused are guilty of joint assassination, while others are guilty of aiding and abetting in murder, disturbance of peace and order, or making preparations for murder. Liu Lu-yin is alleged to be guilty of participation in murder, instigation of murder, disturbance of peace and order, and making preparations for murder.

Sensational facts of a plot to assassinate high government officials were contained in the indictment. The high government officials, against whose lives the accused were cited by the indictment to have plotted, include Gen. Chiang Kai-shek, President of the Executive Yuan, Gen. Chang Chun, formerly Foreign Minister and now Secretary-General of the Central Political Council, Gen. Chiang Tso-pin, Minister of Interior, Gen. Yu Fei-pang, Minister of Communications, and the late Gen. Yang Yung-tai, formerly Governor of Hupeh, who was assassinated last October 25. A secret organization, according to the indictment, was formed under the name of "China Youth Anti-Japan and Traitor-Eradication Special Service Corps."

The nine accomplices indicted are:

Kung Po-chow, alias Kung Po-sheng, alias Kung Shao-hsien, Kung Kung-ting, aged 37, native of Kweichow.

Cheng Hsi-chao, alias Tan Wen-hsin, aged 28, and native of Kweichow.

Tsao Ping-jung, alias Chang Chia-yi, aged 29, and native of Kweichow.

Yang Chi-hsin, aged 20, and native of Kweichow.
Li Chun-chien, aged 16, and native of Kiangsu.

Yang Hsiao-ming, alias Yang Erh-chien, alias Hsu Chun-chao, alias Yang Yu-seng, alias Yang Po-kun, alias Yang Chi-chen, native of Kweichow.

Hsiao Pei-wei, native of Kweichow.
Fan Chi-shu, native of Kweichow.
Liang Chiu-pao, native of Shanghai.
The last-named four are at large.

The indictment contained factual evidences of the various plots, which, the indictment said, were engineered by Liu Lu-yin. Formal hearing will be held shortly in the Wuchang District Court in an open trial.

## WU TE-CHEN FORMALLY SWORN INTO OFFICE

Gen. Wu Te-chen was formally sworn into office as Chairman of the Kwangtung provincial government and concurrently Peace Preservation Commander May 6 in the presence of over 2,000 officials and representatives of public organizations.

Tseng Yang-fu, Mayor of Canton and Acting Commissioner of Finance for Kwangtung has received still another appointment, that of Chairman of the Kwangtung Iron and Steel Works Project Commission. In addition to these three posts, he holds many other high positions in the Party and Government, including those of Vice-Minister of Railways and Director-General of the Whampoa Port Development Administration.

## SUN CHUAN-FANG'S HUGE FORTUNE OF $7,300,000 MAY BE CONFISCATED

The huge fortune of over $7,300,000, amassed by the late Marshal Sun Chuan-fang, one-time Military Governor of the five provinces of Kiangsu, Chekiang, Fukien, Anhwei and Kiangsi, is reported to have been equal to nil to his descendants. Said amount had been deposited in two Japanese banks in Tientsin before the warlord's death in 1935, according to information from banking circles, and since that time the Sun family has been refused to draw any money from those banks. Chicanery on the part of Yin Ju-keng, self-styled head of the bogus East Hope Autonomous regime at Tungchow, was said to have been behind the plot for the detention of the deposits. Yin is reported to have suggested that the deposits be entirely allotted to the bogus government for the training of troops in the demilitarized zone in East Hopei. After his defeat by the Nationalist Revolutionary Army, the late Marshal Sun had lived a life of retirement in Tientsin, where he died in 1935.

## China's Income Tax Revenue Expected to Exceed Budget Estimate

Recent advices from Nanking state that the revenue from the newly enforced Income Tax, which was budgetted to yield five million dollars for the 25th fiscal year (July 1, 1936-June 30, 1937), is expected to exceed this estimate. At the end of April, the revenue from this source had already exceeded four millions. This represents Income Tax collections on salaries and remunerations, and on the interest from securities and deposits. Next year Income Tax on the profits of commercial enterprises will also be enforced.

### China's Budget for Next Fiscal Year Balances at a Billion Dollars

The budget for the next fiscal year—July 1, 1937-June 31, 1938—has been drawn up by the Ministry of Finance. Both the revenues and expenditures will be a little less than $1,000,000,000. According to well-informed circles quoted by the *Sin Wen Pao* of May 10, both the Customs, salt and consolidated taxes collections for the next fiscal year will be greatly increased.

### Nanking to Issue $10,000,000 "Revolutionary" Bonds

The Economic Committee of the Legislative Yuan adopted on May 5 the regulations governing the issuance of a Revolutionary Bond to the value of $10,000,000. It is reported that these regulations will be adopted by the Legislative Yuan in the near future and the bonds will be issued on July 1. The proceeds of the bonds will be used for the repayment of the loans which the National Government borrowed before 1927 to finance the Northern Expedition.

### Old Loans to Be Readjusted with Funds from New Issue

The Regulations governing the issue of the loan for the readjustment of old loans concluded for the purposes of the Revolution were approved by the Finance Committee of the Legislative Yuan, May 5. The proceeds of the new Loan will be used for the conversion of the old loans. The sinking fund of the Loan is to be appropriated from the National Treasury. Bearing interest at 3% per annum, the Loan will be completely redeemed in 25 years.

### Sudden Drop of Kwangsi Currency Reported

Value of the Kwangsi notes has greatly dropped in the past few days. One hundred dollars in Hongkong notes equal $230 in Kwangsi notes.

### New Rule for Property Insurance Decided Upon by Central Political Council

Insurance on public property against losses should be made with the Central Trust of China or other Chinese-owned insurance companies, it was decided by the Central Political Council, at its weekly session in Nanking, May 5. Presided over by Wang Ching-wei, Chairman of the Council, the meeting further ruled that the Central Trust should be the sole agent to undertake reinsurance of public property. Detailed regulations in this regard will be drafted by the Legislative Yuan.

### Central Bank of China Yields Profit of $17,000,000 in 1936

Well-informed financial circles, quoted by the *Hwa Mei Wan Pao*, state that the Central Bank of China made a net profit of $17,095,868.09 in 1936, of which $9,000,000 will be handed over to the National Treasury.

## Chinese Chamber Urges Collection of Income Tax from Foreigners

That foreign nationals residing in this country be required to pay Income Tax was urged by the Shanghai City Chamber of Commerce in identic petitions to the Executive Yuan and the Ministry of Finance May 10. Since the enforcement of Income Tax on Jan. 1 this year, the petition stated, the Chinese merchants of Shanghai have faithfully paid the Tax in accordance with regulations. However, up to the present, the Tax has not yet been paid by foreign nationals residing in this country. This, it was pointed out, is in flagrant violation of Articles 2, 3 and 4 of the Provisional Regulations governing the Income Tax.

Continuing, the petition stated that foreign nationals residing in China ought to be divided into three classes as follows: Those of countries with which China has not yet concluded treaties; those of countries with which China has concluded new treaties based on the principle of equality; and those whose governments have not yet abandoned the obsolete extra-territorial rights.

Pointing out that no difficulty can arise from collection of income tax from the foreign nationals of the first two groups, the petition stated that those of the third group enjoying extra-territorial rights should, legally speaking, also pay Income Tax, because extra-territoriality merely entitles them to be tried by their own consular judges when they are defendants but neither confers on them diplomatic immunities nor relieves them of the duty of paying taxes.

## Chinese Journal "Universe" Urges Abolition of Extraterritoriality

Urging that action instead of words should be taken for the abolition of foreign consular jurisdiction in China, an article, appearing in the Magazine *Jen Chien Shih Jih* (Universe) of April 30, said :—

"The abolition of foreign consular jurisdiction in China is without doubt the recent urgent demand of our Chinese people. But, unexpectedly for us, there is an exception; that is, a *Ta Kung Pao* correspondent has recently editorially voiced the statement that the abolition of foreign consular jurisdiction in China should be made a slogan for propaganda, instead of being carried out, because it should be enforced after fifty years.

"It is right that our most important mission, which should be immediately achieved, is resistance against Japan. But we are of the opinion that the abolition of foreign consular jurisdiction is also one of the activities for resistance against Japan. The Japanese smuggling, spying, and all sorts of illegal activities are conducted under the cover of Japanese consular jurisdiction in China, which cannot be suppressed by our competent authorities. It is also right that our imminent task is to build up the State. But we are of the opinion that the abolition of foreign consular jurisdiction is also one of the prerequisites to national upbuilding, because a state must possess perfect sovereignty.

"The *Ta Kung Pao* editor stated that, during the period of resistance against Japan, the Chinese authorities should not bring up the proposal of effecting abolition of extraterritoriality in China, because in so doing they might lose the sympathy of England, France, and other foreign powers, thereby putting themselves into a position of isolation. But we opine that even though England, France and other foreign powers should desire to maintain their proper interests in China, yet they do not need the existence of their consular jurisdiction in this country. Furthermore, the abolition of extraterritoriality can be achieved through amicable means. In our eyes, it is, by no means, a matter of excessive demand, even though we declare that extraterritoriality in China be at once abolished. As a matter of fact, the failure of our previous movement for the abolition of extraterritoriality is solely due to the fact that we only talk about it, instead of enforcing it. Therefore, action instead of words should be taken in carrying it into practice."

## Agreement Signed at Montreux Abolishing Capitulations in Egypt

The Capitulations Conference came to a successful conclusion at Montreux May 8 with the signing of an agreement governing the complete abolition of capitulations in Egypt after a transitional period of twelve years. A warm tribute to the attitude of the British delegation was paid by Nahas Pasha, the Egyptian Premier, in his closing speech. Britain, he said, had given Egypt the aid expected from an ally. The conference had proved a success, the Premier proceeded, because Egypt's cause was just and Egypt had chosen the most sensible and reasonable course of appealing to the goodwill and reason of the Powers. In future, as in the past, he added, Egypt would remain a land of warm hospitality, where it would be possible to live under the protection of the most liberal laws and sincere friendship.

## Riot Mars Shanghai Celebration of Coronation of British King

The British Coronation was celebrated in Shanghai May 12 with much enthusiasm—features of which were brilliant illuminations and a tattoo ceremony the previous night at the Race Course.

The ceremonies on the night of May 11 were marred by a riot which broke out on Yu Ya Ching Road, near the corner of Nanking road, shortly after 10 o'clock.

Crowds estimated at almost 100,000 had gathered in the streets in the neighborhood of the Race Course, a district in which are located a number of department stores and amusement houses. These department stores and amusement houses were packed to capacity with sightseers and when the police tried to maintain order among the crowds in the streets some of the spectators above commenced to throw missiles. The crowd itself became animated with the mob spirit and opposite the New World Amusement Center the crowd uprooted two trees and temporarily blocked the streets with them. The police sent out riot calls and as a result practically every available policeman in the Settlement, together with a large contingent of the Russian Regiment, backed up with riot vans, appeared on the scene. It was only by midnight that some semblance of order was restored. Twenty-three persons received such injuries in the melee (mostly from police batons) that they had to be taken to hospital in ambulances.

## Dr. D. Y. Lin Gives Details of Rice Situation in Kwangtung Province

Dr. D. Y. Lin in an interview in the *Canton Daily Sun* April 30 gave some interesting details on the rice situation in Kwangtung Province. Dr. Lin holds a unique position in Kwangtung, being not only Director of the Provincial Bureau of Agriculture and Forestry but also Director and Secretary-General of the Kwangtung Rural Cooperative Commission.

Asked regarding the production of rice in the province, Dr. Lin said, "We have in this province altogether 40,804,400 mow of cultivated land, of which 28,565,080 mow or approximately 70% is devoted to rice culture. Formally this area produces 113,043,950 piculs of grain rice which is equivalent to approximately 73,479,870 piculs of polished rice. But the total consumption for a population of 34 million, at the rate of 25 piculs per person per year, is approximately 85 million piculs. This means there is a shortage of about 12 million annually. Last year this shortage was even higher, due to the unusual drought, flood, and severe insect damage."

Explaining how for the last 20 years Kwangtung has been importing rice principally from Siam, Annam and Burma to supply this shortage, Dr. Lin emphasized the fact that the importation of rice from foreign countries and from the neighboring provinces is at present a necessity, but it can only be a sort of 'emergency measure.' Something fundamental, he further emphasized, must be done to substitute this emergency measure and to put Kwangtung on a self-sufficient basis.

When asked to explain further about some of the fundamental things that ought to be done, Dr. Lin continued thus, "You see, we have in Kwangtung only 40,804,400 mow of cultivated land, and a rural population of 25,641,840 people. This means that there is only 1.6 mow for each farmer. Such a small working space per capita is certainly insufficient, when we come to think that there is an average of about 4 mow per farmer for the whole of China, while in the U.S.A. there is an area of more than 70 mow per person for her total farm population. The difference is certainly tremendous. Therefore one of the fundamental things which we should do now to solve this problem is to give the farmers more land in order to increase their production areas."

"Another fundamental thing which the Government should do to solve the food problem is to provide the farmers with more capital. We all know how there is a terrific lack of capital and credit facilities in the rural districts, and this has resulted in high rates of interest charged for loans. Do you realize that more than 50% of the farmers have to depend on loans for crop production, and that the average interest rate for such loans is generally over 30%? Sometimes for the so-called liang-shih or food loans the farmers have to pay as high as 69%."

Discussing the technical assistance rendered by the Provincial Bureau of Agriculture and Forestry, Dr. Lin continued, "The question of technical assistance to the farmers is also very important and fundamental. The Kwangtung farmers, like all other farmers in China, are skilled and industrious. But there are problems such as the control of insects, and fungus diseases, the selection of better varieties of seeds, large scale irrigation, methods of fertilization and utilization of land which require technical and scientific guidance. Do you know that last year the damage to rice crops due to insects and fungus amounted to more than $150,000,000? Surely by proper selection of better and resistant varieties of rice for cultivation, much of this damage could be eliminated."

### RICE TO BE SOLD BY GOVERNMENT BUREAU IN SHENSI

A bureau for the sale of rice to the drought-stricken people of Shensi at prices below cost was inaugurated in Sian, May 3. Branches of the bureau will be established in northern Shensi, with the various District Magistrates serving concurrently as Directors. The fund for the purchase of rice for sale below cost is fixed at $500,000, of which $100,000 has so far been advanced by the Shensi Provincial Government.

### Rice Firm Owners Ask to Be Sent to Jail So as to Avoid Mobs

Yao Keng-pei and several other rice firm owners knelt down before Magistrate Yang in Tatsu (Szechuen province) April 24 and begged to be sent to jail so as to evade possible attacks upon them by the hungry mobs in that district. Greatly moved, Magistrate Yang sent Yao to jail for temporary safety. The hungry refugees, indignant over Yao's refusal to give them free food, made an attack on Yao at Lunghsiang the previous day. Yao rushed to the police headquarters for safety, but the refugees followed him and smashed everything in the police headquarters. Yao, however, was saved by a large safety corps squad who rushed to the scene upon receipt of an urgent call.

### Cheng Pao-chao Named Leader of Rice Investigation Party

Cheng Pao-chao, director of the Foodstuffs Transportation and Marketing Bureau of the Ministry of Finance, has been nominated as leader of the rice investigation party to Kwangtung, Annam and Siam. The party has been organized by the rice merchants in Kiangsi, Anhwei and Hunan with the assistance of the three provincial governments.

## Ministry of Finance Sends $50,000 to Ningshia for Drought Relief

In view of the gravity of the drought situation in Kweichow, the General Relief Commission has requested the Ministry of Finance to appropriate $500,000 for urgent relief. The Ministry May 8 remitted $50,000 to Ninghsia for drought relief. Sun Hsien-ching was instructed to supervise the distribution of the relief fund.

The Ministries of Finance and Interior have telegraphed to the Kweichow Provincial Government to prohibit for the time being the manufacture of wine in that province so as to conserve the stocks of rice for drought relief.

Practical suggestions for drought relief in Szechuen were made May 6 by General Chang Chun, Secretary-General of the Central Political Committee and Chairman of the Nanking Relief Association for Szechuen, at a press reception in Nanking. These suggestions were included as part of six measures of drought relief recommended by the Nanking Relief Association for Szechuen in a telegram May 8. The measures include a suggestion that in conjunction with the Ministry of Finance, the Szechuen Provincial Government should immediately devise measures for raising the necessary sinking fund for the issuance of a Szechuen relief loan and the Provincial Government should immediately establish an organ for the promotion of water conservancy, so as to prevent similar calamities in the future.

### Nanking to Remit $300,000 Subsidy to Kansu

Upon instructions from Gen. Chiang Kai-shek, the Ministry of Finance will remit immediately a sum of $300,000 to the Kansu Provincial Government in Lanchow for urgent military and administrative expenses. The amount to be remitted will be treated as a subsidy from the National exchequer to the Kansu provincial treasury.

The General Relief Commission May 4 remitted $320,000 to the Lanchow branch of the Farmers' Bank of China for urgent drought relief in Kansu.

### Hunan Farm Losses Estimated at $30,000,000

The prolonged rainy season this spring has done serious damage to the crops in the districts bordering the Tunglin Lake, according to official reports. It is estimated that no less than $30,000,000 worth of crops have been destroyed.

### C.I.F.R.C. Meeting Held in Nanchang

More than 100 government officials and relief workers attended the eighth biennial meeting of the China International Famine Relief Commission at Nanchang May 7 and 8 under the chairmanship of Dwight Edwards, the vice-chairman. Among those present were Dr. John Earl Baker, executive secretary from Shanghai, and Chuan Shao-wen, a member of the commission from Peiping.

### Collection of Land Tax Postponed in Szechuen

The Szechuen Provincial Government has postponed the collection of land tax in the province for four months beginning from May in order to relieve the burden of the famine-stricken peasants.

According to an official communique issued by the Szechuen Provincial Government May 5, $2,000,000 has been remitted thus far to 141 drought-stricked districts with a total population of 30,189,479.

Overseas Chinese in the Philippine Islands have remitted $4,200 to the Central Overseas Affairs Commission for drought relief in Szechuan and Honan.

### National Peiping University Students Organize Drought Relief Committee

The students of the National Peking University have organized a Drought Relief Committee to aid the drought victims in Szechuen, Shensi, Kansu and Honan. Public contributions are being solicited by the students.

## President of S.M.R. Gives Details of Economic Development in Korea

Yosuke Matsuoka, president of the South Manchuria Railway, on his arrival in Tokyo last month, gave some details regarding his "policy of oneness" in economy between the Korean peninsula and Manchukuo. He said the construction of the railway line planned by the S.M.R. as its fifth line beginning at Antung and running along the Tungpin-Tao for the development of the resources of the region will be started in June or July. A port would be necessary to complete the traffic. He said he had made an inspection of Tashito in Shingshu, which has been considered a promising site for a port since the time of Mr. Yamamoto, formerly president of the S.M.R. The Korean Government-General, he added, is already undertaking the construction of a large harbor there with an appropriation of Yen 1,500,000. If a harbor-construction of about 3,000,000 tons or so can be undertaken there, it can be made to serve the purpose of developing industries along the Tungpin-Tao and the Manchukuo-Korea border area. It may happen that the S.M.R. will cooperate with the Korean Government General for the construction of the harbor, Mr. Matsuoka added.

## Huge German Airship "Hindenburg" Destroyed by Fire in New Jersey

The largest airship in the world, the *Hindenburg*, was destroyed by a fire and explosions which occurred during the night of May 5 just as it was about to be moored to the mast at Lakehurst, New Jersey, after having been delayed in its arrival from Europe by storms.

The death roll was between 35 and 40, A large proportion of the victims have not been identified. Dr. Hugo von Eckener, the pioneer Zeppelin pilot, at first expressed the view that the fire, which enveloped the huge airship, within a period of a few minutes, was due to sabotage, but he later revised this opinion, when a German expert who made an investigation, stated that hydrogen gas, which had been released in order to lower the ship, had probably been ignited by an electric spark either from atmospheric conditions or as a result of back-fire from the airship's engines. One of the results of the tragedy is that the American Government will modify its regulations regarding the export of helium, the supply of which comes from Texas, and of which the United States has a monopoly. The Zeppelin Company has announced that no passengers will hereafter be carried on airships filled with hydrogen. Meanwhile the flights of airships from Germany to the United States have been suspended. However the construction of airships will not be abandoned as a result of the disaster.

### Japanese Youths' Aviation Group Inaugurated at Meiji Shrine

In the presence of high Army officers and Government officials, the Japanese Youths' Aviation Association was inaugurated at Tokyo May 5 with religious rites at the Meiji Shrine.

### Tokyo-Hsinking One-Day Air Service to Start Next Month

Borrowing Nakajima eight-passenger machines from the Manchuria Air Transport Company, pending the completion of a fleet of Japan-made Douglas aircraft, the Japan Air Transport Company will inaugurate an eight-hour service between Tokyo and Hsinking in June, officials stated in Tokyo May 4. A three-time-a-week schedule will be maintained.

### Kwantung Military Planes for General Chiang Formally Named and Presented

Eighteen military airplanes, purchased by donations from the people of Kwangtung in celebration of the 50th birthday of General Chiang Kai-shek were formally named and presented to the Government May 5 at an impressive ceremony at the Tienho Air-drome in Canton. Over 50,000 people were present, including Tan Chen, Vice-President of the Judicial Yuan, who represented Central Party Headquarters; General Wu Te-chen, Chairman of the Kwangtung Provincial Government, who represented the National Government; and General Yu Han-mou, Pacification Commissioner for Kwangtung, who represented General Chiang Kai-shek.

Li Hsu-huan, Special Party Affairs Commissioner for Kwang-tung, presided. He pointed out the significance of the remarkable type of birthday gift by the people to General Chiang Kai-shek, in view of the national emergency confronting the country. Speeches were also delivered by Tan Chen, General Wu Te-chen and General Yu Han-mou. The airplanes were then formally presented by Li Hsu-huan, on behalf of the 30 million people of Kwang-tung, to the representatives of the Central authorities. Prizes, in the form of airplane models, were distributed by General Wu Te-chen to the various civic leaders responsible for raising the airplane fund. The 18 airplanes, valued at $1,300,000, were then formally named by the wives or daughters of various local Party and Government officials. The machines subsequently took the air and thrilled the onlookers with a series of breath-taking demonstrations.

### Large Plane Manufacturing Firm to Be Formed in Japan

With orders virtually assured, a new Yen 30,000,000 aircraft manufacturing company will be brought into existence in Japan before the middle of next month. The organizers of the firm, to be known as the Showa Airplane Manufacturing Company, May 6 subscribed a quarter of the total capitalization. The new concern will share the rapidly growing market with the Nakajima Aircraft Manufacturing Company, the Mitsubishi Heavy Industries Company and several smaller firms. Meanwhile, officials of the Ministry of Communications have begun drafting an Aviation Industry Control Bill, which will be submitted to the next session of the Diet for approval.

The measure aims at checking the establishment of concerns, inadequately capitalized and poorly equipped, in a hope of profiting by the current boom in the munitions industry.

### Another Unauthorized Japanese Plane Lands at Tsingtao

A *Kuo Min* message from Tsingtao May 9 stated that another Japanese military airplane landed there from Tientsin at 11.40 a.m. the previous morning and departed at noon with a Japanese military officer. This continued flouting of the Chinese air regulations was promptly reported to General Han Fu-chu, Chairman of the Shantung Provincial Government, who it was stated had threatened reprisals.

### Southwest Aviation Corporation Receives Two New Stinson Monoplanes

Two Stinson monoplanes, which were ordered recently from the United States by the Southwest Aviation Corporation for geographical survey of Kwangtung on behalf of the provincial authorities, were delivered in Canton May 7 after being assembled at Kai Tack airdrome in Hongkong. Each machine has a capacity for five passengers and will be used for passenger and mail service after the survey flights. According to the managing-director of the corporation, the two machines will be christened "Cowboy" and "Weaving Maiden," two famous figures in an ancient Chinese legend.

## Japan Urged to Increase Purchases of China Cotton

Recent advices from Tokyo stated that aggressive purchases by Japan of Chinese raw cotton are advocated by Tatsuichiro Funatsu, chairman of the Japan Spinners' Association in China. Pointing out that a considerable improvement had been witnessed in Chinese raw cotton in recent years, Mr. Funatsu said that the Chinese Government was now devoting itself to improving the quality and to effect an increase in production by setting up the Cotton Industry Control Committee. The main task of the committee, he declared, was to improve cotton seed and lead the Chinese farming people toward better cultivation. Production of raw cotton for the year 1936 was, approximately, 4,650,000 (400 lb.) bales, against 3,335,000 bales a year ago. The Chinese Government, Mr. Funatsu pointed out, had formulated a five-year raw cotton production increase plan, under which Chinese raw cotton would be sufficient to meet the better domestic demand and some portions of the demand from Japan.

Japan's imports of raw cotton from British India and the United States at present cost approximately £47,000,000, he continued. If Japan bought raw cotton from China to the extent of 3,300,000 bales, the payment would be limited to only £30,-000,000 or so. China had the intention of supplying half the total raw cotton requirements of Japan, he said.

### Hupeh Cotton Loan Contract Signed With Farm Credit Bureau

The contract for the $720,000 loan for the transportation of cotton was signed in Hankow, May 3 between the Hupeh Cotton Improvement Bureau and the Farm Credit Bureau of the Ministry of Industry and the Farmers Bank of China. The loan will be extended by the latter two organs in three installments of $240,-000 each.

### Lancashire Cotton Industry Hard Hit by Japanese Competition

David Darrah, the correspondent in England for the *Chicago Tribune*, in a recent dispatch from Liverpool stated that the great slump in the British cotton textile industries, which led to legislation providing for the scrapping of spindles in order to give more business to the factories actually operating, has made unemployment an increasingly acute problem for Britain's great industrial area of Lancashire. More than 12,000,000 persons live within a 25 to 35 mile radius of Liverpool and Manchester. If one adds this population to that of London one has half of England. Unemployment in Lancashire mills has been such that in recent weeks efforts have been made in parliament to get Lancashire put on the list of so-called distressed areas.

The slump in cotton spinning, which is centered around Manchester, has also had its reflex in Liverpool, where cotton buying is the chief occupation. Liverpool has also been hit hard by the fact that it has given away, as a port, to Southampton. Ship traffic has decreased heavily since the Cunard Line, some years ago, decided to bring the big trans-Atlantic liners into Southampton instead of Liverpool.

## C. P. Hsueh Takes Over from Dr. Chatley as Conservancy Engineer

C. P. Hsueh, newly appointed Engineer-in-Chief of the Wang-poo Conservancy Board, is taking over his duties this month, succeeding Dr. Herbert Chatley who announced his resignation last week.

Mr. Hsueh has been assistant to Dr. Chatley since 1929. A graduate of Tongshan University, '17, and Massachusetts Institute of Technology, '19, Mr. Hsueh has had a sound background in conservancy work and practical experience. After returning from America in 1921 he spent three years in Tsingtao as engineer to the Tsingtao Harbor Works. At the end of that period he became principal assistant engineer to the China International Famine Relief Commission which post he held until 1929. During his five years with the C.I.F.R.C. he was associated chiefly with O. J. Todd. Dr. Chatley sailed for London on s.s. *Ranpura* on May 11.

# All Europe Studies the Map—and Arms

*(By Anne O'Hare McCormick in The New York Times Magazine for March 21, 1937)*

IN the headquarters of four governments, within a fortnight, whenever I have put a question on some vital point of foreign policy, I have been shown or referred to a map. In Prague, discussing the prospects of war as they appear from that strategic capital, President Benes jumped up from his desk in a stately room in the fortified castle of the Bohemian kings and indicated a very new map hung incongruously on the old paneled walls. The frontiers of Czechoslovakia appeared there in magnified detail—where they impinge on dangerous ground and where the danger lies within, in the racial minorities scattered along the most exposed fronts.

told to look at the map as the first explanation of a national attitude. And of course the map is the explanation of Europe. It forms the pattern of life and policy, and if at present the rulers of this complex are preoccupied with maps, it is because they are re-examining the physical and strategic relation of country to country.

For maps, after all, are the pictures of present realities. It is not by accident that in the east of Europe the graphs in the inner offices magnify frontiers while farther west, in France, England, Italy, Holland, Portugal, Belgium—the maritime as distinguished from the continental powers—the charts that focus attention are of the Mediterranean area.

## CHINA FEELS THE REPERCUSSIONS OF THIS STRUGGLE

**Mussolini Fights to Oust Great Britain from the Mediterranean and to Cut Britain's Sea Route to India and the Far East. The Fascist-Socialist Struggle in Spain and World-Wide Intrigue of Germany-Italy-Japan against the Franco-Russian Alliance, all have their Repercussions in the Far East.**

In the Ballplatz in Vienna, the haunted Chancellery where geography has been made and unmade, Dr. Schuschnigg had no need to exhibit a map. The froniters of Austria pressed so closely about us where we sat that when the Chancellor kept repeating in his even voice: "Look at the map!" the outlines of the country were as clearly visible as the unchanging shape of the Austrian dilemma.

Maps abound in the Wilhelmstrasse in Berlin, the best and most accurate maps of all. The sober, old-fashioned rooms of Bismarck's Foreign Office are not so alien as they seem in Hitler's Reich. The Germany of today looks out upon the world with a gaze not unlike that of the Iron Chancellor, and wherever it looks it uses binoculars and reduces its minute and careful surveys to the finely shaded charts which point every argument.

In Rome Mussolini receives visitors in the great Hall of the Maps in the Venetian Palace, where the Austrian Empire, long master of Venice, used to house its embassy. But the maps wrought in marble mosaic on walls and floor are pictures of another time. The maps Mussolini studies are modern. Occasionally he hauls one out from a pile in the deep embrasure of the window beside his desk to illustrate his thesis. During the Ethiopian war he had the map of Africa spread out before him and stuck it full of flags and colored pins like any Italian schoolboy. Now he pores over the map of the Mediterranean.

In other capitals other statesmen will be found equally absorbed in geography. The traveling reporter grows accustomed to being

Nor is it by accident that war, expected almost anywhere else, has broken out twice in a year in this area. Distinctly a Mediterranean conflict, the Ethiopian expedition showed one reason why this tricontinental waterway is criss-crossed with high-tension wires and crackling with forms of radio activity unknown to science: it is Europe's only road to colonies. For another reason the civil struggle in Spain soon widened into a Mediterranean war. When it threatened to upset the uneasy balance in this strategic sea, immediately the powers most concerned began to pull and strain, Italy one way, France another, in a general tug-of-war, open or secret, to seize the benefit of any shift of forces.

Again the map tells why. Though we and a good part of Europe have moved across the Atlantic, though the Pacific is now a highway between teeming continents, the strange power of geography leaves the Mediterranean in the middle of the world. Bottled up by two of the narrowest straits on the earth and the Suez Canal, three passageways of supreme importance, this great lake remains central to that potent and still unfinished process called Western civilization. It is the mixing bowl of the commerce and migrations converging here from Europe, Asia and Africa.

The Mediterranean is the cradle and the grave of empires, prehistoric, classic, Roman, Arab, Spanish. Since 1704, when the English took Gibraltar and its modern history began, it has been the most important of the British dominions, center of the circulatory system of the loose-jointed colossus whose head is in London and whose hands and feet rest on four continents.

The English fought Napoleon to keep him out of the Mediterranean. They fought the Crimean War to keep Russia out. The World War, by eliminating Germany and increasing the Mediterranean power of France, added another reason for the inevitable Anglo-French entente, perhaps another reason for British coolness toward the Franco-Italian Mediterranean agreement of 1935. For British supremacy and the security of the imperial jugular vein have rested on the presence in the Mediterranean of weak and friendly powers.

The disturbance now is caused by a real change in the situation. The Mediterranean is actually more important to the nationals of Europe than it has been for many decades. This is because the road to Africa is more important. The colonial question worries a good many governments, as you can see by the new maps of Africa that hang side by side with maps of Europe in Foreign Offices. Colonies are no more valuable than they used to be, and the British argument that they are liabilities rather than assets seems confirmed by the studies of disinterested experts.

But even the non-expert can see that arguments based on experience before the war do not apply today. Then the doors of most countries were open to immigrants, and of course no European would go to Africa who could go to America. Then trade had a certain normal flow and money something like a stabilized value, so have-not nations were not ranged against haves and lack of raw materials was not the obsessing grievance it has now become.

Another new factor is the ambition of Fascist Italy. Mussolini has talked freely during the past ten years about the resurrection of Rome and "Mare Nostrum," but in the tiny citadels—Gibraltar, Malta, Cyprus, Suez—whence for 200 years the British have ruled this divided sea they have not paid much attention. In London, when the subject came up, I have been admonished to discount "Latin eloquence" and "black-shirt bluff." When the Italians moved across the Mediterranean and down the Suez under the very guns of Aden they broke not only the fixed tradition of Anglo-Italian concert but a pattern even more firmly fixed. The rude emergence of another would-be great power in the Mediterranean has stirred the waters from the Golden Horn to the Pillars of Hercules.

The agitation is manifest in the heightened diplomatic activity in the Mediterranean basin since the Ethiopian conquest. The Dardanelles conference agreed to allow Turkey the right to fortify and control the Straits she had claimed in vain for twenty years. Britian conceded to Soviet Russia what she had denied to Imperial Russia—free passage through the Straits in time of war. Thus at a stroke, through her close alliance with Turkey, Russia is at last in the Mediterranean.

Egypt enjoys a new Constitution. The constant postponement of negotiations for independence so strained Anglo-Egyptian relations that Alexandria was actually a danger point when the British fleet steamed into the bay last year as a warning to the Italians. All the coasts were in a state of tension, hardly relieved when England signed her treaty with Egypt and hastened to restore as far as possible the old status quo, first by releasing the nervous small powers from their extraordinary engagements to Britian and finally by entering into a gentlemen's agreement which, in effect, recognized Italy's enhanced position and the "complementary interests" of the two powers in their common sea. This was quickly followed by the negotiation of new arrangements between Italy and Greece, Turkey and Yugoslavia.

But by now a new tension had arisen, more dangerous than the first. Some day it may appear that the Spanish insurrection was not simply a rising of the army, the landlords and the "outs" in general to drive the radicals and republicans from power in Madrid. Perhaps it was a direct consequence of the Fascist triumph in Africa. Certainly it had something to do with the success of the Popular Front in France and Italian uneasiness lest the neighboring peninsula be drawn into the orbit of French-Soviet policy.

Obviously Great Britain would prefer Spain as it was, a maritime State that counted little in the sea and even less as a factor in the European balance. Since the first effect of fascism is to increase national strength and aggressiveness, the British dread another Fascist State in the Mediterranean. No more do they want anarchy, revolution or Soviet influence in the hinterland of Gibraltar and thus at the western as well as the eastern gateway of the Road of Empire. Despite their theoretic leaning to the Left, the French are equally divided between national interests and the fear of spreading seeds of revolt in their North African possessions.

Spain is so knotted into the Mediterranean complex that her inner upheaval aggravates and at the same time is aggravated by the seismic disturbance felt all around the periphery of this volcanic sea. Germany's part in the storm is mainly that of the fisherman who casts his line in muddy waters. The Reich misses no chance to hammer at the Franco-Soviet pact and block every Russian move westward. It has commercial interests in Spain and a new toehold in Portugal which it fears to lose. National Socialism is committed to fight communism, which explains why the German volunteers were Storm Troopers, not army men, and why the important official aid came from General Goering's Air Ministry. But although Germany scores by threatening to disturb and in this case was pushed to the front by a manoeuvre of Italy, she is not prepared to take grave risks in this adventure. It is clear enough to the Wilhelmstrasse that the contest over Spain is another round in the Mediterranean struggle, and for the present German interest is not concentrated on that section of the map.

It isn't only expanding Italy or desperate Spain that disturbs the balance, however. These are but signs of wider change. The entire Mediterranean area is seething, as even the casual traveler perceives if he scratches the surface ever so slightly. Stop at any port for a day only and you realize that now, even as in the times when these shores were the world as men knew it, the revolution in Europe meets a revolution in Africa. The Spanish war reacts upon the Moors not only in Spanish but in French Morocco. The international zone of Tangier is a microcosm of the conflict across the straits. The African colonists, especially along this coast, are as self-conscious as the powers of Europe are colony-conscious.

It is as clear as the sunlight in the desert that the native populations also are astir and pulling at the traces. The overflow of Europe isn't going to find it easy to settle on the black man's land and exploit him on the terms he submitted to a generation ago. The riots in Palestine, the flare up in Syria, the troubles in the Sanjak, reveal the smoldering anger of the Arab, spreading in sullen heat far beyond these localities.

On the climbing main street of the Arab quarter in Algiers, even among the old men playing their endless games on the steps of the dim and smelly cafes, I heard ugly mutterings against the French. Rough swastikes were painted on the walls of shops and houses. In a slit-like by-way, pointing to a couple of rickety children, a young native guide burst out into a tirade. "Would any government but the French neglect its native population like this?" he shouted. "The American, the German, the Italian, even the British, would not treat us as we are treated!"

A group of students in red fezzes came down from an upper street to echo the complaints and straggled after us to the terrace garden, where we gazed down through the transparent air upon the breathless beauty of the bay and the golden shimmer of the desert in the distance. "This is where the foreigners live," the boys said bitterly. Their grumbling was symptomatic, for a commission from Paris arrived that day to look into the grievances of the Arabs, which had reached disquieting proportions.

Such outbursts are to be heard all along the coast, and while in the French colonies they have not struck the pitch of the student riots in Egypt last year, they are too frequent to be reassuring to colonial authorities. The Arab boys in Algiers, brown-skinned, bright-eyed and eager, might have been young Fascists. They express the nationalist spirit developing, ironically, in just those colonies where Europeans have settled and where the natives are educated and exposed to foreign contacts. Because Ethiopia is the last unconquered African kingdom, completely primitive and isolated, the Italians will find their task there much easier than it is in Libya or Tripoli.

Gibraltar stands on its rock as the unchanging focus of change. In more than one sense Gibraltar is the key of the Mediterranean. All this Winter the little garrison has camped unscathed in the very middle of war. Every day it has watched bombers passing overhead, of a type and origin perfectly known to the British airmen on the watch. Under the guns of the fort have passed the nondescript ships carrying troops from Ceuta and Mellila to Cadiz. Right behind the rock swept the reinforcements for General Queipo de Llano's drive on Malaga.

In this fighting zone no detail escapes the apparently casual eye of British observers. The British are worried. The prospect from Gibraltar is not one to cheer the traditional mistress of the Mediterranean. The Rock does not tremble, but it guards the entrance to a surging sea, agitated by a greater variety of uncertain elements than the once impregnable fortress has ever seen. I saw the fleet riding down the blue highway, to the lay eye a staggering demonstration of sea power, and heard experts discussing the formidable military machine the British Government is building.

## Chinese Commissioners for Yunnan-Burma Border Demarcation on Way Back to Nanking

Liang Yu-kao and Chang Wei-tse, Chinese Commissioners to the Sino-British joint commission for the delimitation of the Yunnan-Burma boundary, will return to Nanking toward the end of May, recent advices from Kunming stated. The two Chinese Commissioners who together with the two British Commissioners have recently completed their duties on the border were expected to reach Kunming this week from the southern districts. Col. Iselin, the Swiss neutral chairman appointed by the League of Nations, had already left the border on April 24 to return to Europe via Rangoon, according to a message from Mr. Liang. J. Clague and F. S. Gross, the British Commissioners, and W. S. Toller, British Consul at Tengyueh, who acted as adviser to the British members, have also left the border. The Commissioners, it is learned, have submitted a report to their respective governments on the result of their work, and using their reports as reference, it is stated, the two governments will make the final decision on the demarcation of the border, which has for years remained a question of dispute between the two countries.

# Extensive Administrative Reforms Introduced in Manchukuo

Extensive changes in the Manchukuo Government's administrative organization were announced in Hsinking, May 8, following the first meeting of the new Cabinet. They are scheduled to go into effect on July 1. With no business to deal with, as the nations of the world, with the exception of Japan and Salvador, continue to withhold recognition of the Hsinking regime, the Department of Foreign Affairs was abolished. It will be replaced by a Bureau of Foreign Affairs under the direction of the Premier.

Also eliminated were: The Department of Finance; the Department of Mongolian Affairs; the Department of Education; the Department of Defense, and the Supervisory Council.

Newly-created was a Department of Public Safety, which will deal with national defense as well as internal security.

The Supervisory Council's duties will be taken over by a new Bureau of Audit, while a new Internal Affairs Bureau will deal with the general direction of provincial administration and the supervision of provincial officials. Police affairs will come under the jurisdiction of the Department of Public Safety, which will also include a staff bureau and a civil affairs bureau.

A Hsingan Bureau, directly under the control of the Prime Minister, will take over the duties of the present Department of Mongolian Affairs. Public education will come within province of the Department of Civil Affairs, which will also, as previously, deal with matters relating to social welfare, public health and questions concerning the people's livelihood. The Departments of Justice, Industry, and Communications will not be affected by the reforms. Also provided for is the creation of a Planning Commission, which will advise the Premier regarding problems related to economics, public education and national morale.

### Extensive Shake-Up Effected in Manchukuo Government

In the second major shake-up among high Manchukuo officials since the advent of the new Empire in 1934, six key members of the Government were relieved of office May 7. Included were Chang Yen-ching, Minister of Foreign Affairs; Ting Chien-hsiu, Minister of Industry, and Feng Han-ching, Minister of Justice. According to an official Government communique, they all tendered their resignations "to enable the promotion of younger officials."

Their successors were inducted into office by Emperor Kangte the same afternoon. They are: Gen. Chang Ching-hui, Premier, to act concurrently as Foreign Minister; Sun Chi-chang, Minister of Finance, appointed Minister of Civil Affairs, succeeding Lu Jung-huan, who becomes Minister of Industry; Han Yun-kai, Mayor of Hsinking, appointed Minister of Finance; Chang Kuan-hsieng appointed Minister of Justice.

The post of president of the Supervisory Council vacated by the resignation of Lo Chen-yu was not filled. Hideo Terasaki, Japanese director of the Audit Bureau of the Council, was instructed to carry out the duties of president for the time being. Similarly Kotaro Ueda, Japanese director of the General Affairs Section of the Municipality of Hsinking, was appointed acting mayor.

### Japan-Manchukuo Industrial Coordination Plans Discussed in Tokyo

Co-ordinated development of the industries of Japan and Manchukuo was discussed in Tokyo May 10 at a meeting of high officials of the Army, Navy and the Cabinet. Lieut.-Gen. Jun Ushiroku, Director of the War Ministry's Military Affairs Bureau, and Vice-Admiral Soemu Toyoda, Director of the Navy Ministry's Naval Affairs Bureau, represented the Fighting Services. The Cabinet was represented by Secretary-General Hachiro Ohashi and Mr. Takeo Kawagoe, Director of the Legislative Bureau.

### Manchukuo to Propose Air Mail Link With Soviets

Manchukuo authorities will soon approach Mr. Slavutsky, Soviet Consul-General in Harbin, with a proposal for the connection of the air mail services in the new Empire and the U.S.S.R., a *Domei* message from Hsinking, May 8, stated. The creation of this link will enable the sending of mail by air from Manchuria to Europe, shortening by several days the time required for the transportation of postal matter by the trans-Siberian railway. The new route, if realized, will be faster than the present Asia-to-Europe air mail lines operated by various nations by way of India.

## Matsuoka Wants Bigger Japanese Investment in Manchuria

A plea for larger Japanese investments in Manchuria was voiced by Yosuke Matsuoka, President of the South Manchuria Railway Company, in an hour's interview with Seihin Ikeda, Governor of the Bank of Japan in Tokyo, May 5. Emphasizing the necessity of strengthening the Japanese-Manchukuo economic bloc, Mr. Matsuoka is reported to have pointed out the need for additional funds for the development of the new Empire's natural resources.

### "To Strengthen the Ties Between the Railways of China and Manchuria"

In a move to strengthen the ties between the railways of China and Manchuria (as *Domei* puts it) the Directorate-General of the South Manchuria Railway Company May 6 appointed Zenseki Ichihara as its chief resident official in Shanghai. He formerly served as Councillor of the body's engineering bureau.

## Attack on Jehol Town Made by Chinese Forces from Chahar

Alleging an infringement of the terms of the Tangku Truce Agreement of 1933, Col. Gennosuke Matsui, chief of the special service section of the Japanese Army in North China, May 7 drew the attention of the Office of the Pacification Commissioner for Hopei and Chahar to recents attacks on Tachuanghu, a town at the southwestern extremity of Jehol, by Chinese forces from Yungningcheng, Chahar.

A *Domei* message from Peiping May 8 stated that 'with the Chinese authorities promising to take drastic steps in connection with the matter' an early and amicable settlement of the affair was expected in responsible Japanese circles in Peiping.

Major Tokusaburo Sakurai, advisor to the Chinese Twenty-Ninth Army, left Peiping May 8 for Yungningcheng, Chahar, base of the attackers, together with the chief of staff of the Hopei and Chahar Pacification Commissioner's Headquarters for an investigation on the spot.

According to the Japanese military authorities, about 100 members of the Yungningcheng militia and peace preservation corps, attacked Tachuanghu, a town in the southwestern tip of Jehol, on April 25 and May 2. On the latter occasion, the attackers succeeded in wresting control of the town from the Manchukuo authorities after slaying a Japanese police officer and six of his Manchukuo subordinates. Another Japanese officer employed by Manchukuo and three Manchukuo policemen were said to be missing.

The town, however, was reoccupied by Manchukuo Army forces from Ssukaipao on May 4. A Japanese spokesman in Peiping alleged that the attacks were instigated by deserters from the brigade of Major-Gen. Hsia Tzu-ming under Gen. Liu Juming of Chahar. The *Domei* account of the incident added that because Yungningcheng is within the demilitarized zone created by the Tangku Truce Agreement of 1933, Col. Gennosuke Matsui, chief of the special service section of the Japanese Army in North China, drew the attention of the headquarters of the Pacification Commissioner for Hopei and Chahar to the affair.

## Corpses in River at Tientsin Believed to Be Victims of Drug Traffic

A clue to the solution of the mystery of the floating corpses in the Hai Ho (river) has been found by detectives of the Police Bureau of the Tientsin Municipal Government. Four laborers were discovered May 8 carrying a corpse from the Japanese Concession in Tientsin to the banks of the Hai Ho at Tung Fou Chiao (bridge). Two of the laborers were arrested; the other two fled. Questioned by the police, the two said that they were wheel-barrow pullers. When passing Chakow Road (in the Japanese Concession), they were ordered by a Japanese policeman to carry a corpse lying in the gutter to the river-front. An hour later, the detectives saw another body being carried by several laborers from the Japanese Concession; to the river, at the very spot where the first case was detected. The laborers fled back to the Japanese Concession before they could be arrested. The victim was however still alive, though in an extremely weak condition. He gave his name as Chia Yung-chi, aged 30 and a native of Tsangchow, south of Tientsin.

He said that he was a maker of gambling cards and came to Tientsin several months ago to find employment; and stayed at a Japanese heroin den at Chakow Road in the Japanese Concession. Soon he became ill, and seeing his grave condition, the Japanese proprietors of the den hired several laborers to carry him to the river, with the intention of drowning him. The Chinese police authorities in Tientsin are continuing their investigations until the mystery is completely cleared up.

A reward of $5,000 is offered by General Sung Che-yuan, Chairman of the Hopei-Charhar Political Affairs Commission, to any one supplying information leading to the discovery of the cause for the numerous corpses found floating down the Hai Ho. Any public functionary who succeeds in solving the mystery will be given a promotion of three grades in rank.

### Far East Opium Seized on "Anna Maersk" in New York

Opium valued by the Customs authorities at $40,000 was seized in New York May 10, on board the *Anna Maersk* which had just arrived from the Far East.

## Occupants of Collective Farms in Russia to Be Granted Deeds in Perpetuity

Recent *Tass* messages state that according to the new Constitution of the U.S.S.R., the land occupied by collective farms is secured to them for their free use for an unlimited period. The greater majority of collective farms—about 220,000—have already been granted State deeds for the perpetual use of the land they occupy. This process of securing land for perpetual use is accompanied by extensive surveying work.

### Kwantung Army Denies Soviet Border Crossing Charge

Denying Moscow's charge that Japanese and Manchukuo troops had recently crossed the Soviet border, the Kwantung Army May 6 asserted that Russian border patrols had invaded Manchukuo thrice in the last week of April and thrice this month.

### Soviet Russia to Open Consulate in Canton

The Soviet authorities are negotiating with the Chinese authorities for the re-opening of the Soviet Consulate in Canton. It is reported that with the re-opening of the consulate, the Soviet authorities will push the sales of Russian gasoline in South China. It may be recalled that the Soviet Consulate in Canton was closed in 1927.

### Divergence of Views Said Existing Between Sato and Yureneff

While an agreement of views regarding the amelioration of the Soviet-Japanese situation has been reached between Foreign Minister Sato and Ambassador Yureneff, their meeting in Tokyo, May 5, revealed a divergence of views on the desired concrete measures, according to *Domei*.

### Hsinking Perturbed by Manchukuo Official's Continued Detention

Government officials in Tokyo, May 9 voiced strong resentment over the continued detention of Liu Chin-hsi, of the Manchukuo Consulate in Blagoveschensk, by the G. P. U. Mr. Liu and the daughter of the Consul, were allegedly accosted on the street on April 24 and taken to the G. P. U. headquarters for questioning. The girl was released shortly afterwards, but Mr. Liu was detained and his present whereabouts are unknown.

### Japanese Soldiers Desert to Soviet Territory

Khabarovsk (*Tass*) reports state that two Japanese soldiers, Nakiyama Matsudaira and Saito Saburo, who violated the Soviet border were detained on Soviet territory south of Grodekovo. The detained men testified that they were conscripted at the beginning of this year and served in the 4th Company of the 51st Independent Battalion of the 12th Japanese Infantry Division, and that due to humiliating treatment by their officers and poor material conditions both had agreed to desert.

### Bureya Coal Basin to Be Exploited

As a result of geological surveying carried out during the last few years in the western part of the Far Eastern Region, extensive work is under way in the Bureya Coal Basin, which is being prepared for exploitation, recent *Tass* advices from Khabarovsk stated. The Basin occupies an area of almost 8,000 square kilometres along the River Bureya and its right tributaries. About 100 square kilometres of this deposit has already been prospected and it was found that extraction of coal there will not require deep mining, since the bulk of the coal is located not deeper than 400 metres. The reserves of the Central-Urgal deposit are estimated at almost 2,000,000,000 tons.

### Soviets Increase Electric Power Capacity

*Tass* advices state that this year, the capacity of the power-houses of the U.S.S.R. will be increased by almost 1,500,000 kilowatts. The greatest increase in capacity will take place in the power-houses of the Moscow industrial district. There the Stalinogorsk district power-house alone will be extended by 150,000 kws. The capacity of the Dnieper power-house is greatly increasing.

On the upper stream of the River Svir, construction has begun of the Upper-Svir hydro-power station of 160,000 kilowatts capacity, in addition to the Lower-Svir hydro-station of 120,000 kilowatts capacity, launched seven months ago.

### Soviets Make Preparations for Big Arctic Expedition

The Hydrographic Department of the Chief Administration of the Northern Sea Route of the Soviet Government is making preparations for a big Arctic expedition which will sail in the icebreaker *Sedov* to the little explored regions of the Soviet Arctic adjacent to the Novosibirsk Islands.

It will be one of the main tasks of the expedition in rounding the Novosibirsk Islands from the north to make a study of the Laptyev Sea, the approaches to the Sannikov Straits and the outlet from the Laptyev Sea into the Eastern Siberian Sea. In this region the expedition is to find a safe and deep passage connecting the Laptyev Sea with the Eastern Siberian Sea. Seven other hydrographic ships will accompany the icebreaker.

### Vegetable Canning and Perserving Plant Being Built in Sakhalin

Construction of a vegetable canning and perserving plant has been begun in Alexandrovsk-on-Sakhalin. In this plant vegetables grown in Sakhalin will be prepared for shipment to the northern areas of the Island. The plant will be ready for operation this autumn.

### Municipal Construction Carried Out in Vladivostok

*Tass* says extensive municipal construction work has been carried out in Vladivostok in the last five years. After the inauguration of the Artemovsk district power station the consumption of electric power in the city increased six times. The Sedan water-works, one of the largest hydro-technical structures in the country began operating, thus completely solving the water problem of the city and port. This water-conduit linking the city with the large artificial reservoir built in the valley of the River Bolshaya and Malaya Sedanka, 16 km. from Vladivostok, was laid in 20 months. Following its inauguration, the total length of the Vladivostok water-conduits rose from 18 to 43 km. A large refrigerator has been built on Cape Churkin. The Diomid Bay became a fishing port with its own workshop and shipyards. In the course of the past five years, the Vladivostok population has doubled. The general draft for re-planning the city is practically completed. New buildings are erected in strict conformity with this project.

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## Newspaper Enterprises in Soviet Russia Make Rapid Strides

*Tass* mail advices from Moscow state that in 1936, the U.S.S.R. published about ten thousand newspapers, with a daily circulation of 38 million copies. In comparison with 1913, the number of newspapers increased by more than 11 times, and their daily circulation by 13.5 times. The most rapid growth of the Soviet newspaper network has been observed in the last few years. Newspapers began to appear not only in district centers but also in the Machine and Tractor Stations, State farms and railway depots.

Of the daily total circulation of newspapers, central papers account for about one-quarter. The circulation of principal newspapers reaches and exceeds the circulation of the largest world newspapers. Thus last year, *Pravda* had a circulation of 1.9 million copies, *Izvestia*—1.6 million; *Krestyanskya Gazeta*—1.75 million, etc. The growth of the national press was exceedingly rapid. Thus in 1929, Turkmenia had only five newspapers with a circulation of 25,000 copies, while in 1936 there were 42 newspapers with a daily circulation of 177,000 copies. Eight years ago Tadjikistan counted only two newspapers with a circulation of 68,000; now it has 55 with 138,000 circulation.

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## American Newspaperman Lauds Achievements by Soviets

In a speech delivered at the Community Church in Shanghai May 9, Gifford Ernest, correspondent for the *Chicago Daily News* declared that Soviet Russia had challenged the world as never before with what she had achieved—a stable economic, social, educational and cultural system. The endless possibilities of Soviet Russia were a spur to world industrialists, financiers, social engineers, scientists, artists and the creators of new life, he said.

Mr. Ernest, who has just come to Shanghai, after a lengthy stay in Russia, stated that in his opinion the Soviet Government was, perhaps the most stable in the world, and that the real test of whether a system of government was good or bad was whether its institutions functioned efficiently on behalf of the people whom it served.

When he went to Russia Mr. Ernest said that he did so with no axe to grind, no interests but the truth to serve. He found it necessary to strip controversial subjects of their prejudices in order to get at basic facts. Therefore, he found that he had much to unlearn because of the many false ideas which he had accumulated about the U.S.S.R. and its leaders. This system of government, he discovered, was an economic and social order functioning on behalf of the people; it had practically achieved a classless society.

Whatever might be the attitude of western peoples, Mr. Ernest said, the world would have to reckon with this new form of democracy for releasing the energies and talents for government of the masses themselves. It was something which offered hope to the producing masses the world over. There was power in the soviet system for it was a method of organizing the people in their own interests.

The civilized world would have to adjust itself to the achievements of the soviet form of government, the speaker said.

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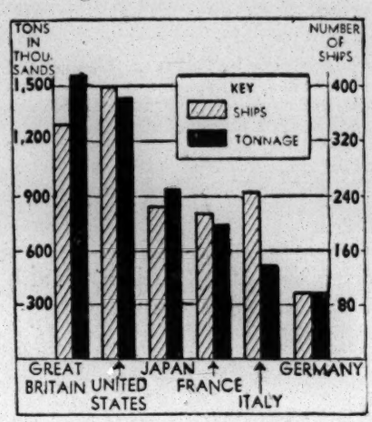
## Greater Shanghai Health Commissioner Asks for Cooperation Against Cholera

The co-operation of the entire population is enlisted in a fight against a possible cholera epidemic this year in a circular letter issued by Dr. Li Ting-an, Commissioner of Public Health of the Municipality of Greater Shanghai May 8. Dr. Li sounded the warning that unless a general offensive is launched in time, cholera may invade Shanghai this summer in view of the wide extent of the epidemic in the neighboring countries, such as Siam and India.

## Britain Forges Ahead of United States in Naval Construction

Great Britain's decision to build 80 new warships, announced by Sir Samuel Hoare, first lord of the admiralty, on Mar. 11 will put the British ahead of the United States in naval construction for the first time in many years, an *Associated Press* dispatch pointed out. The United States navy department's comparative naval figures show that the British on March 1 were rushing work on 69 warships, aggregating 333,205 tons. The 80 new ships will be in addition to these. The United States now has, under construction or appropriated for, 87 new ships, totaling 343,385 tons.




If the fleets in existence were added to fighting craft now under construction, the comparative standing of the naval powers would be as shown in the accompanying sketch.

The United States and Britain have a large number of vessels designated as over the age limit for first class modern fighting ships. These are slated to be scrapped as new ships are commissioned.

In that category the United States has 212 ships, of 214,100 tons; Great Britain, 105, of 174,790 tons; Japan, 29 of 37,436 tons; France, 13, of 32,894 tons; Italy, 52, of 73,990 tons, and Germany, 10, of 43,958 tons.

## France Builds Naval Base to Defend Indo-China

The *Associated Press* states that French officials always turned a deaf ear to Colonial Governors' recommendations for stronger defences in French Indo-China—until publication of Germany's "anti-Communist" pact with Japan. Now, alarmed at a "sure sign" that Japan will fight on Germany's side if war comes, the French Goverment has begun preparatory work, toward a great naval base at Cam-Ranh bay—ideally situated to repel any attack.

Recruiting of a large native army is being considered, to be officered by the 15,000 French and native troops now stationed in the protectorate. Officials estimate that as many as 3,000,000 soldiers could be conscripted from the 20,000,000 residents. A big problem is converting the natives from undisciplined individualists to useful members of an efficient fighting force. Modern submarine flotillas, fast destroyers and squadrons of bombing hydroplanes will be stationed at Cam-Ranh.

**Fearful of Japan if war comes again, France plans to defend Indo-China with a great naval base at Cam-Ranh bay. It is strategically located halfway between Hongkong and Singapore, friendly British bases, and not far from Manila.**

A secondary base will be built in Along bay facing the Chinese island of Hainan where the Japanese fleet has already maneuvered. The coast defence at Cape Saint Jacques, controlling the river entrance to Saigon, will be bolstered. Several heavy-gunned river flotillas are planned for policing the many vulnerable openings on the 1,850-mile coastline of a territory one and-a-half times as big as France. At present France has only one cruiser, five colonial sloops, five river gunboats, and one submarine flotilla actually stationed in the Pacific. Military roads were built several years ago, extending up to the Chinese frontier, and there are several modern airfields. As a further precaution, military officials are urging the storing of huge quantities of supplies in peace time since it would take weeks to get aid from Europe in the event of war.

### "Izvestia" Doubts Usefulness of Franco-Soviet Pact

An article criticising France's policy regarding Spain, and casting doubts on the usefulness now to the Soviets of the France-Soviet Pact, appeared in the Moscow *Izvestia* May 5 on the occasion of the second anniversary of the signing of the Pact. The journal declared that the Western Powers, by their "waverings and their readiness for deals with the aggressor, have dealt collective security blow after blow." Soviet armaments can now undoubtedly secure victory for the U.S.S.R. and the annihilation of the attackers, *Izvestia* asserts. The article concludes by declaring that the rebuff received by Fascism in Spain will delay future wars, and the rational policy must be to take advantage of this fact and consolidate the development and organization of peace which is latent in the Franco-Soviet Treaty.

### Rome Denies That There Is Any Question of a Military Alliance Between Italy and Germany

At the conclusion in Rome, May 5, of the visit to Rome of Baron von Neurath, the German Foreign Minister, it was emphatically denied that there was any question of a military alliance between Italy and Germany.

### Italians Boycott British Coronation

A bitter article in the newspaper *Regime Fascista*, which is edited by a member of the Fascist Grand Council and former Secretary of the Fascist Party, was the prelude to a ban on British newspapers imposed by the Italian Government. The article spoke of a "system of deliberate lying as the moral heritage of the English people." Meanwhile, acting under orders, all Italian newspaper correspondents have withdrawn from the British capital which means the complete boycott of the Coronation, as Italy will not be officially represented at the ceremony.

### No Doctor's Degree for Jews in Germany

A new decree issued in Berlin May 7 by the German Minister of Education precludes German Jews from taking an examination for a doctor's degree at German universities or technical high schools.

## Chinese Arsenal in Wuchang Purchases Scrap Iron in Shanghai

The Chinese Ministry of War has recently purchased an enormous quantity of scrap iron from Shanghai, and as a result there is an extreme shortage of iron here. The Shanghai *Nichi-Nichi* May 5 stated that the Ministry of War has also ordered a certain iron factory in the Hongkew district to manufacture carriages for heavy guns. Parts already completed were transported to Nanking from the North Station. It is stated that more than 120 small factories in the Yangtszepoo district are busy manufacturing these military weapons for the Chinese authorities.

## Texas Oil Company Hopes to Ship Gasoline to China from Java

James A. Moffett, Chairman of the Board of the Texas Company, one of the three large American oil concerns, was a visitor to Shanghai this week in the course of a business trip to the Far East. In an interview he stated that Shanghai and other parts of China, together with Philippine Islands and Japan, may soon get part of their oil and gasoline supplies from Java, if the wells now being drilled in that country by the California Texas Company should prove to be productive.

He mentioned that the Texas Company's refinery in the Bahrein Island in the Persian Gulf with a capacity for 25,000 barrels of crude oil daily, was originally scheduled to be completed by July 1, but its operation has been delayed several months due to the recent American shipping strike. According to the plans of California-Texas, Bahrein oil will be shipped out to the Far East, including the Philippine Islands, Japan, China, and other places. In this country, the Persian oil will be distributed by the Texas Company, Mr. Moffett explained that this forthcoming arrangement will cut transportation cost for his firm, as oil will not have to be shipped from the United States.

## Pekin Syndicate to Reduce Capital, But It Reports That Prospects Are Good

Financial reorganization of the Pekin Syndicate Ltd., a holding company with interest in various mines and railways in China, was announced in London May 8. Financial circles in London believe that a meeting between the managing director, Brig.-Gen. Charles R. Woodroffe, and the visiting Chinese Minister of Finance, Dr. H. H. Kung, had an important bearing on the announcement. The announcement declares that the reorganization of the company's business was brought about through the cordial co-operation of the Chinese. Mining conditions in China are satisfactory at present, the circular reports. "Under these circumstances, and although the situation in China, particularly in the neighborhood of the company's mine in Honan, is far from quiet the directors believe the time has come to reduce the company's capital." In the absence of international difficulties in the Far East and on condition the present political conditions prevail in China, the reduction of the Pekin Syndicate's capital will permit the company to declare dividends in the near future.

# THE NEW INCOME PLAN

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### (EXAMPLE—INSURED AGE 35.)

**At death before age 55.**

1.—A cash payment to your beneficiary of U.S. $5,990.00. . . . . $ 5,990.00.

2.—In addition to the above, a monthly Income cheque of U.S. $100.00 from date of demise to 1957 . . . . . $24,000.00.

3.—At the end of the Income period - 1957 - a further cash payment of U.S. $10,000.00 - or this may be used to purchase an Income for life. . . . . $10,000.00.

**Max: protection U.S. $39,990.00.**

**Your options at age 55.**

1.—An Income of U.S. $100.00 per month for life (100 months certain.)

2.—Guaranteed Cash of U.S. $ 15,-620.00. . . . . .

3.—Subject to evidence of insurability, a fully paid-up life insurance policy (participating) for U.S. $27,-590.00. . . . . .

**And the ultimate cost over 20 years?**
**U.S. $12.00. a year!!!**

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Dear Sirs:

Without obligation on my part, please let me have further particulars on THE NEW INCOME PLAN. At Age.....I desire U.S.$.....per month for life, with above benefits. (Other currencies if desired).

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Date of birth. .....day,.....month,.....year.


## Japanese Say Korean Revolutionaries Are Fighting Each Other

Bitter strife in the ranks of the Korean revolutionaries in Shanghai and Nanking has been reported to the Japanese Consular Police by one Meikei Haku, a member of the Racial Revolution Party, the local Nipponese papers stated May 5. Haku, who was described as a Special Service Agent of the party, surrendered himself to the Japanese police a few days ago, allegedly in fear of assassination by other Korean revolutionaries. Closely guarded, he was put aboard the Korea-bound s.s. *Heian Maru* to stand trial in Seoul.

The Korean revolutionaries in this country, he allegedly told the police, have been split into two main groups, one of which stands for a "pure racial movement," while the other works in close co-operation with the Communists.

The "racial" group is allegedly operating through the Racial Revolution Party, headed by one Sciten Li. The opposing group, known as the "Gallant Party," is headed by one Genho Kim, whom the papers described as a "confirmed Communist." The party, the press said, has once operated a school for the study of Leninism in Peiping. Haku has assertedly told the police that Kim received large sums of money from "a certain source" which he used to obtain luxuries which his revolutionary activities could not give him. This, Haku allegedly said, has caused great indignation in the ranks of the "racialists."

Kim, it was further charged, got rid of his enemies by dispatching them to conduct propaganda in Korea and Manchuria, at the risk of their lives. Just prior to the Sian incident of Dec. 12 last, Haku allegedly told the police, some of Kim's followers proceeded to Shensi to effect liaison with the Chinese Reds.

Last July, Haku assertedly revealed, Kim received $5,000 from the same "certain quarter" for his assistance in an abortive attempt to bomb the Japanese Consulate-General and the Kabukiza Theater, North Szechuen Road. The outrages, according to the Japanese story, were designed to aggravate Sino-Japanese relations while the two nations were preparing for negotiations on a readjustment of their relations. Haku reportedly told the police that he arrived in Nanking in October, 1929, from his native place, in the poverty-stricken Heian Hokudo province in Korea. Soon after his arrival in the Capital he entered a training institute, operated by Kim. Dissatisfied with the latter's views and methods, Haku later entered Li's Racial Revolution Party.

The struggle between Kim and Li culminated in January, according to Haku, when their adherents staged a sanguinary free-for-all at a secret revolutionary meeting.

Last month, Kim's followers again resorted to direct action by kidnaping Haku. He allegedly told the police that he was taken to Kim's headquarters, where for four days he was brutally manhandled by his captors. Escaping from their hands, Haku rushed to Shanghai, allegedly surrendered himself to the Japanese police, and made a full confession in a hope for a light sentence—at least that is the way the Japanese papers told the story.

### Press Ban Lifted on Arrest of 100 Communists in Korea

With the lifting of a rigid press ban, the police in Seoul April 30 revealed the arrest of more than 100 Korean Communists in a series of raids on Dec. 25 last. The seized men, mostly students and workers, were charged with attempting to reorganize the Korean Communist Party. Their trial is now in progress. Of the arrested Communists, 21 were indicted for violating the Peace Preservation Law. Thirty others were released.

### Large Number of Unemployed Koreans in Tientsin

Because of the strict preventive measures against smuggling 500 out of 1,500 Koreans in Tientsin are reported to be unemployed. In order to assist these people, it is reported that a large tract of land will be purchased and will be given to them for cultivation in the suburbs.

### Minister Wants Korean Industries to Be Controlled

In a move to extend the provisions of the Important Industries Control Law to all branches of industry in Korea, Vice-Admiral Dr. Takuo Godo, Minister of Commerce and Industry, April 30 proposed the convocation of a Korean-Japanese economic conference. The agenda of the conference would include, according to Dr. Godo, the problems of prices, relationships between the Korean and Japanese industries, and industrial control. Although the Control Law applies to Korea, its provisions have been effective only in the cement industry. This situation has led to many disputes between the Korean and Japanese producers of fertilizers, matches, electric bulbs, lumber, and rayon.

### Chang Says "Korea and Manchukuo Now Form One Family"

"Manchukuo and Korea now form one family, and must stand or fall together," Premier Chang Ching-hui told the press in Seoul April 22, on his arrival there for a three-day visit, according to *Domei*. The Yalu and Tumen Rivers, he added, were formerly the boundary between the two countries, "but now they are important channels for facilitating the communications and transportation between Korea and the new State." Immediately after his arrival, Gen. Chang met Gen. Jiro Minami, Governor-General of Korea, and Lieut.-Gen. Kuniaki Koiso, Commander of the Korean Garrison, with whom he discussed the tightening of the economic and military ties binding the two countries. From Seoul, Gen. Chang departed on tour of inspection of north Korea.

# Japan Facing Crisis, Say Tokyo Economists—Further Depression of Yen Predicted

A BELIEF that Japan is facing a serious economic crisis was expressed by a large number of prominent financiers and industrialists in Tokyo May 11. The most serious danger confronting Japan today, they declared, is the threat of malignant inflation, caused by a rapidly growing budget and record expenditures for armaments. Such an inflation, the financiers agreed, would immediately be reflected in further increases in the index of commodity prices and would further depress the yen exchange rate. Commenting on the Government's decision to curtail its consumption of iron for non-military use by 37 per cent, the financiers expressed doubt that such a step would check the current rise in the index of prices. When the time comes to draft next year's budget, they predicted, the Government would have great difficulty in making both ends meet.

The current rise in prices, the financiers said, is an international phenomenon, caused by a boom in the munitions industry. A slight decrease in the consumption of iron in one country cannot, therefore, be expected to keep the prices down.

Japan's scarcity of raw materials, needed by her heavy industries, necessitates heavy imports. This factor, they declared, cannot be offset by the formation of a Japan-Manchukuo economic bloc, increased exploitation of natural resources or any other palliative.

Expansion of Japan's productive capacity, they went on, would further be hindered by a scarcity of skilled labor and the continuing deterioration of man-power.

Unless there is an increase in production, the financiers pointed out, all efforts to control commodity prices would remain fruitless.

Finally, they pointed out, the pay increases granted in recent weeks by major industrial concerns would lead to discontent in the ranks of the "white-collared class," not benefitted by similar increases in their pay-checks. Therefore, they concluded, a new cycle of strikes is inevitable.

### Japan's Debt Reaches Yen 10,575,514,000

Japan's total national indebtedness stood at Yen 10,575,514,000 at the end of April, the Tokyo Treasury announced May 7. This figure did not include Yen 442,000,000 of rice purchase notes. Of the total amount, Yen 9,258,559,000 represented domestic indebtedness and Yen 1,316,955,000 loans floated abroad.

### Banker Ikeda Says Gold Exports Are Necessary

Japan must continue to ship gold abroad, if she is to develop her economy and strengthen her defenses, Seihin Ikeda, Governor of the Bank of Japan, told the press in Tokyo, May 5. Mr. Ikeda added that Japan could not join the current chorus of demands for lower prices on gold because of her scanty reserves of the precious metal.

### Japan Has Adverse Balance of Yen 67,262,000 in Ten Days

With imports reaching Yen 157,191,000 and exports totalling Yen 89,929,000, Japan's foreign trade in the last ten days resulted in an adverse balance of Yen 67,262,000, the Tokyo Treasury announced May 10. The total unfavorable balance of trade since the beginning of the year now stands at Yen 463,352,000.

### Japan Seeks Raw Materials for War Industry

Short of all important raw materials required by her rapidly expanding munitions industry, Japan is now looking for new sources of supply. Officials of the Ministry of Commerce and Industry are reported to be engaged in drafting a comprehensive five-year plan, which will be submitted to the Diet for approval in August. It aims, according to *Domei*, at securing new and expanding old sources of coal, zinc, manganese, petroleum, tin, lead, tungsten, rubber and pulp.

The new plan will reportedly be co-ordinated with the already adopted iron and fuel national policies, which seek to meet the current "famine" on these two important elements of war industries.

### Japanese Army to Economize on Use of Iron

Prompted by a desire to overcome the current "iron famine," the Tokyo War Office May 6 announced that it would reduce its consumption of iron this year by 30 per cent. Out of the 22,000 tons of iron which the War Office intended to use this year, 6,600 tons will not be consumed until next year. The manufacture of arms and ammunition will not be affected by this decision, but the construction work on various military establishments will be postponed. Meanwhile, the semi-official Japan Iron Manufacturing Company announced the conclusion of a contract with American iron manufacturers for the purchase of 350,000 tons of pig iron, in addition to 150,000 tons contracted in February.

### Decreased Iron Consumption in Japan Does Not Touch Army and Navy

In view of the prevailing iron famine, civilian departments of the Tokyo Government May 8 agreed to cut down by about 35 percent their consumption of steel and iron products this year. Provincial Governments and municipalities were ordered to follow suit. Under this accord, the civilian branch of the Government will use 140,000 tons of steel and iron, instead of 400,000 tons as originally estimated. The military and naval branches, however, will receive without reduction their allotment of 600,000 tons for the manufacture of arms and ammunition and the construction of battleships.

### Labor Disputes Near Post-War High in Japan

With the cost of living soaring daily, labor disputes in Japan are occurring with a frequency reminiscent of the post-war boom period, according to figures relased by the Social Affairs Bureau of the Tokyo Home Office last week. From January to March, 704 strikes involving 63,197 workers occurred, the report said. Reflecting the prosperity prevailing in the munitions industries, disputes in the machinery and metals trades led with 141 cases in the three-month period. The dyeing industry and the chemical trade, respectively, reported 102 and 101 instances.

### Eleven Japanese Labor Leaders Jailed by Tokyo Police

Eleven leaders of the Tokyo Transport Workers' Union were locked in prison May 7 as the police initiated a campaign to stop the epidemic of labor disputes affecting transit facilities in Tokyo and its suburbs.

### Army Backing Hayashi, Says Tokyo "Asahi"

Japanese Army authorities are strongly supporting the Government of Gen. Hayashi because "unlike its predecessors" it announced on April 10 a clear-cut platform long desired by the military, the Tokyo *Asahi* stated May 8. The Cabinet's policies finding favor with the Army are those providing for political reform, the strengthening of national defense, preparations for national mobilization, the thoroughgoing execution of a social program designed to stabilize national life and the co-ordinated development of industries. Gen. Sugiyama, War Minister, and other military leaders, the daily asserted, are "most favorably" inclined towards the Cabinet, but are watching closely whether or not it will go ahead in the execution of its announced policies, instead of compromising with the political parties and other influences which demand the maintenance of the present state of affairs at the sacrifice of the Government's enunciated platform.

### Hayashi May Survive With Army Support

Prediction that the strong Army support enjoyed by Gen. Senjuro Hayashi will enable him to emerge victorious out of his present tilt with the political parties was made by the Tokyo *Nichi-Nichi*, May 10. The factors threatening the existence of the present Cabinet, said the journal, are the opposition of the major parties and the critical atmosphere prevailing in the Privy Council. Ranged behind Gen. Haysahi, however, stand the Army circles, which regard the Premier with favor because of his advocacy of reform policies, drafted by the Army's "brain trusters." The Government, the daily said, "stands an excellent chance of organizing a new party in preparation for the extraordinary session of the Diet," in August. By that time, the *Nichi-Nichi* believed, the attacks launched on the Cabinet by the parties might cease under the pressure exerted by the Army.

### Hayashi Cabinet Said Considering Resignation

Revoking its previous determination to remain at the helm, the Hayashi Government is reported to be considering resignation towards the beginning of next month, according to information from political circles in Tokyo. The difficulties of the Government, it was stated, have been looming larger and larger since the general election and Premier Hayashi and his colleagues are beginning to find their position untenable. Their serious intention to quit, it was further declared, is also prompted by the conviction that, short of a fundamental revision of the Constitution and the Election Law, the Government can never win its way clear out of the present pitched battle with the parliamentarians.

### Minseito Demands Cabinet's Resignation

Firing the opening salvo of a determined attack on the Hayashi Cabinet, the majority Minseito party has demanded the immediate resignation of the Government. If this demand is ignored, Chuji Machida, party president, May 7 told the newly elected parliamentary members, the Minseito will assail the Government at the very outset of the extraordinary session, opening in August.

### Minseito Calls for Joint Anti-Cabinet Front

Formation of a joint Anti-Government front by Japan's political parties was advocated by Matajiro Koizumi, the newly elected secretary-general of the majority Minseito party in Tokyo, May 9. Reiterating the statement made by the party's president, Chuji Machida, on May 7, Mr. Koizumi called for the resignation of Gen. Hayashi's Cabinet.

### Government Will Not Hesitate to Dissolve Parliament

If confronted with a bill of non-confidence in the special session of the Diet this summer, the Government will not hesitate to again dissolve Parliament. This outspoken reply to the widespread demand for the Government's resignation was made in Shidzuoka, May 6 by Vice-Admiral Dr. Takuo Godo, Minister of Commerce and Industry, while on his way from Tokyo to attend the National Congress of Export Guilds.

"We knew how the general elections would turn out when we dissolved the Diet," Dr. Godo said, "Consequently there is no need for the Cabinet to change its attitude. The Premier is firm in this attitude and his stand really is admirable. There is no need to feel bewildered. We are just carrying out a vast political experiment to remould the political parties." The outcome of another general election, subsequent to a re-dissolution of the Diet, the Minister of Commerce and Industry admitted "possibly may be the same."

### Social Masses Party Leader Blames Rearmament Program for Burdens on People

Addressing the newly-augmented ranks of parliamentary members of the Social Masses Party, Dr. Isoo Abe, president, May 8 blamed the Government's rearmament program for the present heavy burdens being borne by the Japanese people. The Hayashi Cabinet, the aged leader declared, should assume the responsibility for the present state of affairs and resign at once. With reference to the Government that would succeed the Hayashi Cabinet, the Social Masses Leader reiterated his demand for the immediate summoning of an emergency session of the Diet to discuss national reforms and other important issues, such as the nationalization of the munitions industry, the revision of the election law and the readjustment of relations with Far Eastern nations.

### War Minister Sugiyama Instructs Staff Chiefs

The ideological aspects of the nation's rearmament program were emphasized by Gen. Sugiyama, War Minister, in an address before chiefs of divisional staffs in Tokyo, May 6. Said Gen. Sugiyama: "Today, as never before, we need discipline, unity and stronger defences. And military commanders play an important role in carrying out our plans."

### Prince Chichibu Receives Oxford Degree

Prince Chichibu received an honorary degree of D.C.L. from Oxford University May 11.

### Prince Chichibu's Political Activities Denied

In a formal statement, the Japanese Foreign Office May 7 denied foreign press reports alleging that Prince Chichibu, younger brother of the Emperor, in London to attend the Coronation, was engaging in political activities.

### Japan to Expand Motorcar Production

Further increases in the import duty on automobiles, as a means of encouraging the automotive industry, were predicted in Nagoya, May 7 by Vice-Admiral Dr. Takuo Godo, Minister of Commerce and Industry, in a speech before the third congress of the Japan Exporters' Guild. Dr. Godo declared his intention of placing Japan's motorcar industry on a paying basis by checking the imports of foreign vehicles and limiting the number of automobiles assembled at foreign-managed plants in Japan to 10,000 units a year. Encouragement, he said, will also be given to the export of Nippon-made automobiles, as a means of placing the industry on a self-sustaining basis.

### Osaka Textile Firm Raises Capital

Directors of the Kurashiki Spinning Co., Ltd., on May 5 proposal to increase by Yen 15,000,000 the firm's present capital of Yen 20,000,000.

### Japan Economic Mission Arrives in United States

The Japan Economic Mission to Europe and America headed by Chokyuro Kadono, vice-president of Okura and Co., arrived in San Francisco May 11.

### Study of South American Trade Possibilities Urged

The Tokyo Chamber of Commerce and Industry May 8, recommended to the Ministry of Commerce and Industry to concentrate its efforts during this year on an investigation of trade possibilities with the countries of Central and South America.

### Chile-Japan Trade Talks End in Accord

Accord on a wide range of points, including tariff slashes, removal of various exchange compensation duties, and joint investments, were reached at the Chilean-Japanese trade conference, which closed its sessions in Osaka, May 8.

### Tokyo "Brain Trust" to Be Formed May 15

Modified to meet the desires of the Privy Council, the National Planning Board will be brought into existence on May 15. This prediction was made in Tokyo May 6 by Government officials, in the belief that the Privy Council, at its meeting on May 13, would take cognizance of the changes in the bill and approve it. Finance Minister Toyotaro Yuki, the "guiding genius" of the present Cabinet, was expected to be appointed the head of the "brain trust" on May 14.

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### Dr. C. T. Wang Is Guest of Vice-Minister of Foreign Affairs in Tokyo

Dr. C. T. Wang, newly-appointed Chinese Ambassador to the United States, was the guest of honor at a luncheon given in Tokyo, May 7 by Kensuke Horinouchi, vice-minister of Foreign Affairs, on behalf of Foreign Minister Naotake Sato, who was unable to attend because of a previous engagement at Court. Mr. Sato, however, conferred with Dr. Wang for about 30 minutes previous to the function.

### Kawagoe Withdraws Resignation—To Return to China Early in June

Urged by Foreign Minister Naotake Sato, Shigeru Kawagoe, Japanese Ambassador to China, May 10 agreed to remain in his post. Carrying with him instructions on ways and means of readjusting Sino-Japanese relations, Mr. Kawagoe is scheduled to return to Nanking early next month.

### Buddhist Sects in Japan to Send Missionary Abroad

There is a strong tendency for all Buddhist sects in Japan to co-operate in their efforts to promote positive Buddhist missionary work abroad, according to the Rev. Kenshin Asano, general secretory of the International Buddhist Information Bureau. This tendency, he said in a recent interview, was concretely manifested in every aspect of Buddhist activity.

### Japanese Admiralty Issues New Pamphlet Entitled "The Imperial Combined Fleet"

A pamphlet entitled "The Imperial Combined Fleet," describing the organization and the mission of the Combined Fleet and comparing the naval strength of Japan, Britain, Soviet Russia and the United States, was issued this week by the Japanese Admiralty.

The pamphlet asserted that the Japanese Navy is endeavoring hard to build up a fleet of minimum strength necessary for self-defense, on the basis of the principles of non-aggression and non-menace.

Japan, the pamphlet said, is taking care not be involved in naval competition by improving quality, rather rhan increasing quantity.

### Ishii to Head East Asiatic Affairs Bureau

Itaro Ishii, former Minister to Bangkok and Consul-General in Shanghai, was appointed Director of the Gaimusho's important East Asiatic Affairs Bureau at a meeting of the Tokyo Cabinet May 10. Simultaneously, Morito Morishima, former Director of the Bureau, was appointed Counsellor of the Embassy in China. He will be stationed in Peiping.

### Chinese Conservancy Experts Make Inspection Tour in Japan

Eight experts from the Yellow River Conservancy Board of the Honan Provincial Government arrived in Yokohama May 7 on a two-month inspection tour. They immediately proceeded to Tokyo where they were the guests of the Chinese Embassy. After ending their tour of Japan, the experts will proceed to Korea.

## Nine-Power Pact Not Dead, Says Gaimusho Spokesman

"The Nine-Power Pact is not dead, although some day it may possibly become a dead letter, because no treaty or agreement has ever survived one or two centuries," a spokesman of the Gaimusho said in Tokyo May 10. Emphasizing that the view was his own personal opinion, the official declared that the Nine-Power Treaty still provides "a solid foundation for co-operation of the powers concerned in the Pacific area."

Turning to the Sino-Japanese truce agreement, signed in Shanghai in 1932, the spokesman said that no official intimation has been received "from anywhere" that the agreement has been denounced. The official recalled that China and Japan are the principal signatories of the truce agreement, which was, however, also signed by representatives of Great Britain, France, Italy and the United States as parties to the negotiations which culminated in the conclusion of the accord.

## Japan Appoints Press Attaches to London, Paris and Washington

Appointment of press attaches to the Japanese Embassies in London, Paris and Washington was approved by the Tokyo Cabinet early this week. These newly-created officials will deal exclusively with press relations. The attache to the Embassy in Washington will be stationed in New York.

Other appointments included a large number of officials stationed in China. Morito Morishima, Chief of the Important East Asiatic Affairs Bureau, will be appointed Counsellor of the Embassy in China and stationed in Peiping. Two other counsellors, Suemasa Okamoto and Shinichiro Hidaka, were appointed to Shanghai and Nanking respectively. Itaro Ishii, Minister to Bangkok and former Consul-General in Shanghai, is to be appointed to the post formerly held by Mr. Morishima. Denjiro Kato, First Secretary of the Embassy stationed in Peiping, is to be appointed Consul-General in Hankow, in succession to Yoshiaki Miura, who becomes Consul-General in Hamburg.

## Japanese "Inner Cabinet" Discusses China Policy

Japan's "Inner Cabinet," consisting of the Ministers of War, Navy and Foreign Affairs, held a prolonged session May 10 to review the Government's policy towards China. The conferees, *Domei* states, used as the basis of their discussions a report on the latest developments in China submitted by Shigeru Kawagoe, Ambassador to Nanking.

Anglo-Japanese co-operation in the economic development of China formed the major topic of discussion at the meeting of the "Inner Cabinet," which discussed measures designed to end the current belief that Japan and Great Britain intended to divide China into spheres of influence. The present negotiations in London, it was emphasized, aim principally at a readjustment of Anglo-Japanese relations in China, in order to avoid all possible friction between the vast interests of the two powers.

The discussions also dealt with the current developments in China, on the basis of a report submitted to the War, Navy and Foreign Ministers, by Ambassador Kawagoe, at present in Tokyo. The three conferees agreed to keep in close touch with each other, to secure a unified diplomatic policy.

Discussing the "special nature" of the political situation in the Far East, the spokesman declared that the Sino-Japanese truce agreement should "continue forever, until China and Japan agree to cancel or replace it with some other agreement." The spokesman's comments were made in response to questions by foreign correspondents regarding press reports from Shanghai on the Chinese Government's alleged desire for a "revitalization" of the Nine-Power Pact.

The messages also asserted that the Nanking Government desired the cancellation of the Shanghai truce agreement, allegedly for the purpose of delaying the negotiations for a readjustment of Sino-Japanese relations as much as possible. While working in this direction, the messages alleged, the Nanking authorities are planning to develop the international situation in China's favor.

## Japan Said Planning Propaganda Bureau So as to Control Public Opinion

Because it is merely a technical organization, Premier Hayashi is dissatisfied with the results achieved by the Cabinet Intelligence Commission, which was set up on July 1, 1936, by the Hirota Cabinet to adjust and co-ordinate information concerning important affairs among the various Ministries, according to a *Reuter* message from Tokyo April 6. The Chief Secretary of the Cabinet is chairman of this Commission, the members including some twenty Vice-Ministers and other important officials.

On the occasion of its inauguration, the then Premier, Mr. Kiki Hirota, pointed out that, in the present complex administrative organization, information collected by the various departments and ministries on the same matters were frequently at variance. The new Committee had therefore been set up to collate all such information, place it in its true perspective and enable accurate and impartial information to be given out to foster the growth of sound public opinion at Home and to promote international understanding. Since then, little has been heard of the Commission and it has been moribund so far as information to the press and public is concerned.

The present Premier, according to reports in the Japanese press, now plans to convert the Commission into a bureau which will take charge of propaganda and control public opinion.

Under the direction of the Premier, it would control literature, all branches of art, stage plays, movies, phonograph records, radio programs and national culture in general.

## Krupp Method of Steel Manufacturing to Be Adopted in Japan

Following the successful negotiation relating to the purchase of the patent rights of the Krupp steel manufacturing process for application in Japan and Manchukuo, the Mitsubishi Mining Company and the Showa Steel Works are expected to commence steel maunfacturing after the Krupp method in the near future.

The Tokyo *Nichi Nichi* points out that the present project is particularly important in connection with the Mitsubishi Mining Company in that the company starts the exploitation of the Mozan iron mines in Korea simultaneously with the adoption of the Krupp method. When the Mozan mine exploitation work its compteled, the Mozan production will supply about half of the 1937 iron ore demand in Japan proper, estimated at 5,000,000 metric tons, a big jump in the iron ore supply in the country.

The supply of 500,000 metric tons of scrap substitute also corresponds to one-third of the total scrap imports this year estimated at 1,600,000 metric tons. The Japan Iron Manufacturing Company has been experimenting with the Krupp steel manufacturing method, using iron and sand as materials so far without concrete success. The Japan Iron Company is expected to get the Krupp patents transferred from the Mitsubishi and the Showa for the application at its steel mills after the successful trial at these two steel plants.

## Spring in Mongolia

*The following translation of a letter from the Mongolian People's Republic appeared in Moscow Pravda April 12.*

In the spring of 1926 a woman calling herself the Mother of God appeared in the hot limitless plains of Mongolia where usually nobody is to be seen, except flocks of lightfoot antelopes. A common girl, not differing in any way from any Mongolian woman, had been induced by the lamas (priests) to calling her child Buddha, born again. This girl's name was Tchin-Tse-Tchalab. She put the head-dress, called Vat Cheer-Tchinsa on the baby's head and decorated the dark hut with multicoloured flags (the Vat Cheer Tchinsa head-dress may be worn only by the reborn Buddha or his representatives). The news about the reincarnated Buddha spread from camp to camp and the happy mother awaited with deep emotion the arrival of "the man from the South, from Holy Tibet" who was to come and carry her child away to high honor and power, as the priests said. That was not long ago in 1926, in Spring.

Now another Spring—1936. On the banks of the mud colored river Kherulen, near Banitumen, the Mongolians are celebrating their national feast "nadom," the feast for the renovation of good pastures, well fed cattle and easy camp life. Innumerable spectators on horseback gaze with admiration at the long rows of Mongolian cavalry before the gay multi-colored crawal, in the bright sunshine and the golden dust. The Mongolian artillery detachments pass by with loud clatter; huge dusty camels gallop proudly, drawing large guns. And when the traditional shooting with bow and arrow begins near the village, a large airplane appears as suddenly from behind the mountain range and flies low, very low along the plain. The vertical lines of Mongolian hieroglyphs stand out clearly on its wings. The plane is developing speed slowly, gradually makes loops and circles above the crowd, stops for a moment. In this moment a tiny black spot detaches itself from the plane which flies at about 800 metres height and the spot unfurls a white silk parachute. She who jumps, holding on to the parachute is one of the most famous parachutists of the country, Tsagda Horlo, a Mongolian woman of 32 years of age, a hunter's wife. The clamas have not been willing to name her son Buddha reicarnate. She is an ordinary every-day common sense woman, from a family of sturdy workers of cattle raisers, wife of a commanding officer of the Mongolian Revolutionary Army, daughter of the present modern Mongolia, the country which is being born again.

A third spring—1937. The doctor's office at the aviation department is full of a crowd in bright colored clothes. It is an unusual day—unusual because the room is full of Mongolian women. There is Tsagda Horlo with a decoration pinned to her blouse; there is the wife of daring Shahdyr Surun, a young slender woman with an enourmous fur cap, Inchin Horlo, a little woman with a dark complexion dressed in European silk dress. Piren Dolgor, wife of the commissar of the avis-detachment. Here we can see Majbat, Davakhu, Dagima, Naisora, Baldjinmin,-all members of the sanitary and defense organizations, wives of commanding officers, fliers, technicians, radio-operators. They have all come fired by the same ambition to fly at any price, to learn the wonderful art of mastering a plane. It is impossible to disregard or smother this wish; the physicians try in vain to make the excited women speak the truth about their different diseases, even about the sickness, which has been and passed, away along time ago. All women declare most convincingly that they are well entirely and gloriously well even those suffering from tuberculosis, or with an undoubtedly defective heart.

The Mongolian commissar, Comrade Munko, asks the physicians to show them kindness and not to refuse anybody definitively.

Every refusal makes the refused woman suffer hard, as all and every one wants to fly. After a few days the four lucky chosen ones will put on the dark blue suits and begin to study flying. In July, 1937, the first group of four fliers will fly its planes to Olan Bagor to the favorite feast of the people, the feast of Nadom.

## Nanking Journal Supports C. P. C. Plan to Survey Nation's Strength

Editorial support to the decision of the Central Political Council to conduct a comprehensive survey of the nation's strength was lent by the *Central Daily News* (Nanking) in a leading article April 28. Asserting that such a nationwide investigation will facilitate the institution of administrative reforms and heighten governmental efficiency, the journal suggested that the survey should include the collection of data regarding population, area, resources, political, economic and cultural conditions of the country. "China has never made any comprehensive survey in the past," the daily said, "although investigations along somewhat similar lines have been conducted for more than 2,000 years." Since the founding of the Republic in 1911, a census has been taken only twice, one in 1916 and the other in 1928.


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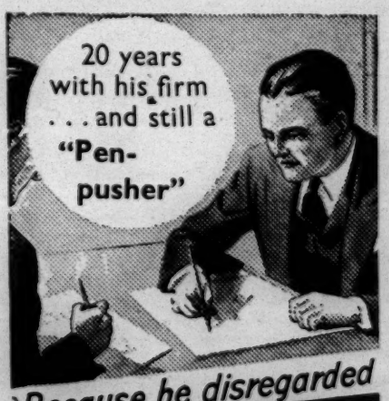


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# "Good Earth" Actors Voted Best—Rating of Recent Films

BY DALE RILEY

EACH year the Motion Picture Academy awards statuettes to the actor and actress who in the opinion of the Academy gave the best performances in some picture during the year. This year the awards were, of course, won by Luise Rainer and Paul Muni.

However if there were more voters in the Academy Award sweepstakes, fifty statuettes wouldn't be enough to go around—for opinions from different organizations vary as to Who is Who. The Dairymen's League voted plumb for Harold Lloyd's "The Milky Way." Carole Lombard's "Swing High, Swing Low" was the choice of the Cosmetic and Make-up Association, with heaven knows how many members it has, since beauty shop people were taken with Carole's hairdress.

Some 10,000 interior decorators raved privately over Mae West's last, "Go West, Young Man," which led to an instantaneous reform in bedroom design, curtains and parlor fixings. High school teachers rooted for "Midsummer Nights Dream." Last year, the Brotherhood of Blacksmiths and Iron-workers voted solidly for "The Crusades," which had more fancy horse-shoeing in it than any other film on record.

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Marked with sincere simplicity is the Twentieth Century-Fox sound version of the silent screen success Seventh Heaven. Simone Simon and James Stewart replace silent version Janet Gaynor and Charles Farrell as the stars of the picture.

You probably will remember the story of the Paris street gamin (Stewart) whose ambition is to become a street-washer. He rescues Diane (Miss Simon) from her cruel sister and shares his garret with her. Just as the Great War begins they gets married and the gamin Chico goes off to the front. Diane get word that Chico has been killed, but she doesn't believe it. Her faith is rewarded for when the Armistice is signed her Chico returns.

Two co-stars offer excellent characterizations and the fine supporting cast includes Jean Hersholt and J. Edward Bromberg. Director Henry King has mixed humor and pathos delightfully in most places throughout the film to make it a picture that is recommended to mature theatre-goers.

The slowness of *Silent Barriers* makes it fall short of being a truly great motion picture epic. This Gaumont-British film tells of the trials and problems of the building of the Canadian Pacific Railroad. Set in the beautiful backgrounds of the Canadian Rockies it becomes a very interesting picture. Special credit should be given for the exceptional photography of the picture The cast which includes star Richard Arlen and supporting players Antoinette Cellier, J. Farrell Macdonald and Lilli Palmer offer good performances. But, Director Milton Rosmer's slow direction makes this an enjoyable picture that just misses being top-notch entertainment.

Musically amusing is Bing Crosby's latest vehicle *Waikiki Wedding.* Traveling at top speed this story is, as the title indicates, set in Hawaii. Bing is the press agent of the Imperial Pineapple Company. One of his very bright ideas is to bring to Hawaii "the Pineapple Girl," winner of a contest to be run by the company in the U. S. Her enthusiastic impressions of the islands and especially of pineapple would be syndicated. Shirley Ross is the winner and what happens after she arrives in Hawaii offers some of the most delightful musical comedy of the year.

The very excellent supporting cast includes the hill-billy Bob Burns and the girl with the wide-mouth Martha Raye. Fine scenic effects by cameraman Karl Strauss, haunting melodies, and gay comedy overcome the trite plot of the play. And "Waikiki Wedding" becomes gay, light entertainment that will be sure to please.

An action story with a new angle is *Trouble in Morocco.* Stars are he-man Jack Holt and Mae Clarke. It's a story of the always interesting French Foreign Legion. The new angle is that of gun running in Morocco. A newspaper man is shanghaied into the Legion, but he manages to escape. While doing so he gets a chance to save the life of a rival newspaper reporter—a woman. For the adventure fan this story will be highly pleasing. It combines fast-moving drama with good acting and some nice desert scenes.

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*Our Hollywood Cuff Notes*.....Director Henry Hathaway, who lived a year in India, keeps up his memories by dining on curry once a month, even if he has to cook the stuff himself .....beautiful European star Anna Sten, who last appeared in "The Wedding Night" opposite Gary Copper, has been signed to do a film tentatively titled "Gorgeous" for Grand National Pictures.....Paramount promises to do a series of "Fu Manchu" mystery thrillers with Akim Tamiroff in the title role of Doctor Fu.....Comedian Edward Everett Horton wrestles with a gorilla in his starring role in "Oh, Doctor".....The circus is coming to Hollywood, and will see practically all the movie people from 6 to 60 in the front rows munching peanuts and watching the clowns and elephants. Ginger Rogers, Cary Grant, the Fred Astaires and the Randolph Scotts have been invited to be the guests of the circus at dinner "behind scenes" and then to see the show..... Lynn Overman, who used to be a jockey, hasn't seen a horse race in three years—Restraint, we call that.....Johnny Mack Brown, star of the Universal chapter picture, "Wild West Days" learned to throw the lariat during production and he became so enthusiastic that he was a pest, roping each member of the cast .....In rehearsing for his current role in the current Marlene Dietrich-Ernst Lubitsch picture "Angel," in which he plays an English diplomat, Herbert Marshall discovered that he has been in the U. S. long enough to have forgotten some of the typical words and phrases that were a part of his everyday speech in his native England.

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### Among the Recent Films

The films listed below are rated as follows: "Very Bright," an excellent film; "Bright," good; "Medium," average; "Dark," not recommended.

"Very Bright".....

The Good Earth (M-G-M).....Lost Horizon (Columbia)..... After The Thin Man (M-G-M).....Dodsworth (U.A.)..... Garden of Allah (Selznick International).....My Man Godfrey (Universal).....Romeo and Juliet (M-G-M).....Winterset (RKO).

"Bright".....

Quality Street (RKO).....Silent Barriers (Gaumont-British) .....Anthony Adverse (Warner Bros.).....Beloved Enemy (U.A.).....Big Broadcast of 1937 (Paramount).....Call it a Day (Warner Bros.).....Love is News (20 Century-Fox)..... Seventh Heaven (20th Century-Fox).....Waikiki Wedding (Paramount).....Camille (M-G-M).....Swing High, Swing Low (Paramount).....Champagne Waltz (Paramount).....Sea Devils (RKO).....Ready Willing and Able (Warner Bros.) .....East meets West (Gaumont-British).....Gay Desperado (U.A.).....Great Ziegfeld (M-G-M).....Fire over England (Gaumont-British).....Libeled Lady (M-G-M).....Magnificent Brute (Universal).....One in a Million (20th Century-Fox) .....Reunion (20th Century-Fox).....Tarzen Escapes (M-G-M) .....Theodora Goes Wild (Columbia).

"Medium".....

All American Chump (M-G-M).....Born to Dance (M-G-M) .....Everything is Thunder (Gaumont-British).....Jungle Princess (Paramount).....Mighty Treve (Universal).....Polo Joe (Warner Bros.).....Women Rebels (RKO).....Bulldog Drummond Escapes (Paramount).....The Big Game (RKO) .....Crack Up (20th Century-Fox).....Pennies from Heaven (Columbia).....Mama Steps Out (M-G-M).....Under your Spell (20th Century-Fox).

"Dark".....

White Hunter (20th Century-Fox).....Melody for Two (Warner Bros.) The Bold Caballero (Republic).....Left Handed Law (Universal).

## Chinese in Germany Object to New German Film "Alarm in Peking"

Chinese students and residents in Germany are raising opposition to a new film made by a German picture company named Tobis. The title of the film is "Alarm in Peking," which uses the Boxer Rising of 1900 as background. The Kuomintang branch in Germany and the Chinese Students' Union in Berlin have addressed a telegram to the National Government, the Executive Yuan, the Waichiaopu and Chinese newspapers in various parts of the country, urging strong representations to the German Government against this film, which is described as constituting a reflection on China and likely to prejudice the maintenance of friendly relations between the two countries.

### Annual Education Film Conference Held in Nanking

The sixth annual conference of the China Educational Films Association was held in Nanking this week with Shao Li-tse, Director of the Central Publicity Department, in the chair. Speeches were delivered by representatives of the Central Party Publicity Department, the Central Party Mass Training Department, and the Ministries of Education and Interior. A report on the work of the head office in Nanking was made by Fang Chih, followed by reports on the work of the branches in Shanghai, Hangchow and Tsingtao. Speeches were also delivered by Chen Kuo-fu, Chairman of the Kiangsu Provincial Government, Chou Chien-yun, film producer.

A number of proposals relating to the issue of publications, training of technical experts, encouragement of native films, promotion of education films and films for children were adopted.

The next annual meeting is to be held at Peiping.

## Newly-Formed China Tea Corporation Engages British Specialist

The business policy of the China Tea Corporation, Ltd., newly-formed semi-official enterprise, during its first year will be to give special attention to direct export trade with a view to expanding the foreign tea market, according to a decision reached at the 2nd joint meeting of the Boards of Directors and Supervisors, held at the Ministry of Industry, in Nanking, May 4. It was decided to engage E. P. Witham, British tea specialist, as technical adviser of the Corporation. The salary and travelling expenses of Mr. Witham are to be appropriated by the Ministry of Industry in conjunction with the Agricultural Credit Bureau. A tea factory is to be established at Hankow while a branch of the Corporation will be opened at Foochow, Fukien.

Measures are to be adopted to regulate the domestic tea production, transportation and sales, in cooperation with the Ministry of Industry, the National Agricultural Research Bureau, the Foreign Trade Bureau, the Government Testing Bureau, and the various Provincial authorities.

### Central Political Council Makes Public Provisions of New Land Regulations

Official assistance to independent farmers and government encouragment of reclamation projects are two of the main features in a set of 23 principles governing the revision of China's Land Law, passed by the Central Political Council at its weekly meeting held in Nanking, May 5.

### Telephone Circuit in 50 Shensi Hsien Already Completed

The Shensi telephone circuit has been completed in 50 hsien, accrding, to a report of the provincial Reconstruction Department at Sian. Five regional offices have been established in these districts for telephone administration.

### C. M. S. N. to Build Two New Yangtsze River Boats

In order to revive the navigation on the Szechuen section of the Yangtze River, which has been suspended for some time, the China Merchant's Steam Navigation Company is planning to build two steamships for the service. The two vessels will each have a displacement of 315 tons and a speed from 14 to 15 knots per hour. They will each accommodate about 76 persons. The boats will have a hold capable of containing 150 tons of oil. It is expected that with the resumption of the service the transportation of Szechuen tung oil to other provinces will be facilitated.

### Chinese Flour Mills Suspend Operations

In view of the lack of wheat, the Chinese flour mills in Shanghai have either reduced their work or suspended operations altogether. It was reported by the *Shanghai Nippo* May 8 that a number of these mills will only resume their operations when wheat is harvested in the Northwestern provinces this year.

### Long Distance Telephone Between Nanking and Tsinan Opened May 6

Long-distance telephone service between Nanking and Tsinan, provincial capital of Shantung, was formally inaugurated May 6. The first conversation over the line was held between General Ho Ying-chin, Minister of War, and General Han Fu-chu, Chairman of the Shantung Provincial Government.

### Capital of Joint Sales Corporation Tentatively Fixed

The capital of the proposed Nanking branch of the Native Goods Joint Sales Corporation has been tentatively fixed at between $300,000 to $400,000, it was disclosed at Nanking May 4. A preparatory committee, headed by Wu Ting-chang, Dr. Y. T. Tsur, Minister and vice-Minister of Industry, respectively, have conferred on several occasions with a view to formulating definite plans for the new company.

### Four-Province Exhibition Held at Changsha

The Four-Province Special Products Exhibition for Kwangtung, Hunan, Hupeh and Kiangsi was formally opened in Changsha May 10. Over 2,000 official and commercial leaders were present; Yu Chi-chuan, Provincial Commissioner of Reconstruction for Hunan, presided.

## U.S. Governments Gold Policy Again Attacked in Supreme Court Action

Robert A. Taft, son of the late President William Howard Taft and a leading Republican leader, May 7 filed a new appeal in the United States Supreme Court challenging the right of the United States to call gold-clause bonds for redemption in advance of the date of maturity. Previously he unsuccessfully challenged the right of Congress to nationalize gold.

### American Fleet Ends Maneuvers in Pacific

Admiral Arthur J. Hepburn, Commander-in-Chief of the United States Navy, May 8 issued orders at Honolulu to "cease the naval exercises." The orders terminated the spring naval maneuvers. The Fleet entered Pearl Harbor the following morning.

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*"For Children Of All Ages"*

# The Far-Eastern Crisis—Some Comments on Henry L. Stimson's Book

BY CHEN PIN HO

*(Continued from last week)*

"Manchuria was actually and legally a part of China. But the people of Japan felt in it such an interest, historical, sentimental, and political, and were fortified in their interest by such exceptional rights and claims that a conflict between these claims and the sovereignty of China was pratically inevitable. This danger was also accentuated by the fact that many of these rights, while always asserted with emphasis, were defined in very general terms and were not attested by documentary evidence which was unchallenged. Some of the treaties upon which Japanese claims rested were strenuously asserted by China to be either unauthentic or to have been executed under duress." (pp. 19-20)

The fact that Japanese imperialists look upon Manchuria as a region wherein they are entitled to assert special rights and claims is born of machinations through long periods and due to a three-fold reason. First, it is the Japanese Empire's traditional attitude to regard China, especially Manchuria, as a subject nation or a conquered nation at any rate, ever since the Sino-Japanese and Russo-Japanese Wars. Secondly, with a view to preserving their administrative power or introducing a despotic form of government, the late Tsing Dynasty, Yuan Shih-kai and other militaristic governments of Peking obligingly and obediently acceded to Japan's brigandage and most impertinent demands rather than risk their own positions. Thirdly, from the time of the national reform in the latter half of the last century, Japanese imperialists had already decided upon their ambitious plan of annexing the entire territory of China piecemeal. To further the cause of this project no pain was spared in employing various methods to instil into the minds of the Japanese people or to artificially create a national psychology for territorial aggression against China. In the realm of education, for instance, particularly primary education, Chinese civilization and culture is purposely blackened to the students. In their primary school textbooks, China is temptingly represented as a land enormously rich in resourses, waiting for Japanese exploitation, but now undeservingly and unfairly in the possession of a backward, decadent race; Manchuria has long been coloured Japanese in the geography books. Such is the aggressive education daily hammered into the mind of the Japanese child with what pernicious results it is easy to imagine.

One thing, however, which the Japanese people and the peoples of the world should not neglect taking serious cognisance of is that the Chinese national revolution of 1911, the patriotic movement of 1919, the anti-Yuan Shih-kai expedition and the punitive expedition from Kwangtung in 1927 are revolutionary movements of a nature deeper than the mere destroying of a dynasty or an obnoxious administration. The attack directed against a person or a group was only incidental. These movements were bold expressions of the people's voice in a sweeping denial of all traitorous accessions to treaties imposed by alien powers designed to undermine China's territorial and administrative sovereignty. The voice of denial has been sounded and will keep sounding louder and louder.

(4) Japan's "Friendship" Policy and "Positive" Policy towards China.—Mr. Stimson regards the China policies of the Japanese parliamentary parties and Japanese militarists as two separate and distinct policies:

> ". . . there has been a very deep and fundamental cleavage in Japanese political thought as to the method by which that interest (the economic interest in Manchuria) should be supported and enforced. This cleavage has in general corresponded with the alignment in Japan, to which I have already alluded, between those leaders who were following the ideals of constitutional and popular government on the one hand, and the conservative and military leaders on the other. The different policies which have resulted from this cleavage have come to be called, respectively, the 'friendship' policy and the 'positive' policy towards China." (p. 27).

In point of fact, Japan's parliamentary parties and her militarists are like the two complementary wings of the Japanese Empire in her intended aggression against China. There is not much choice between the positiveness of the "friendship" party and the frankly "positive" military clique. Whatever difference there is lies in the different viewpoint as to how that interest "should be supported and enforced." It is a difference of slow, sinuous penetration and undisguised forcible aggression. For, did Japan mitigate one whit her aggressive actions against China even during periods when constitutional government reigned supreme in Japanese politics? Whether stark naked or wrapped in sugar-coated words, a dagger is a dagger to the aggressed. The Chinese people are so used to this "sweetened" form of aggression that they shudder in apprehension no less when their "friendly" neighbour smilingly proffers a hand in "friendship" than when the same neighbour sends a squadron of bombing airplanes. The Chinese people are no martial race and love not war. They can be trusted to occasion no quarrel if they be left alone. No other people truly and honestly love friendship with their neighbors and brother nations more. But China's friendship with Japan must be built upon a predetermined and unshakable condition—that the Japanese Empire must first once and for good bury its axe of imperialistic aggression. Then and only then can true friendship between the two peoples be realized—a friendship built upon the practical foundation of equality and mutual co-operation in economic, political and cultural spheres.

(5) The Japanese Pretext of Overpopulation.—Mr. Stimson's refutation of another pretext of the Japanese Empire's as an excuse for aggression, viz, that of overpopulation, appears to lack thoroughness:

> ". . . We of course knew of the imperious economic problem Japan faced in the necessity of providing livelihood for a constantly increasing population and we were well aware that in grappling this problem during the period of the Great War she had sought to use the tactics of conquest and colonization over China for its solution. But for nearly ten years under the guidance of Shidehara and his fellow liberals she had been 'studiously and persistently sailing on the opposite tack to the military course.' which she had previously followed. All through the decade from the Washington Conference to September, 1931, instead of seeking markets by force, she had been following the entirely opposite plan of 'commercial expansion and political good neighbourliness.' She had been seeking to supplying her growing population by the development of friendly trade with the outside world instead of by forcibly acquired outlets for emigration. She had followed this course patiently and in the face of considerable difficulty and provocation . . ." (pp. 34-35).

Mr. Stimson praises Shidehara's policy in that it did not follow the military course but the opposite track thereto, i.e. the policy of commercial expansion and political good neighbourliness for solution of the over-population problem. But the Japanese militarists are not satisfied with such a solution. They will say that the times are different; and that that was a time when there was still room for commercial expansion in the markets of the world and that Japanese emigrants had not yet met with exclusion from every side; a peaceful policy as a method for solution of this problem was possible then. But now that tariff walls are being built higher and higher up, surrounding every market in the world, and Japanese emigration is being repulsed from every side, Japan is driven by exigency to forcibly occupy Chinese territory in order to find a solution for its over-population problem. Should Japanese militarists argue in this strain, what has Mr. Stimson got to counter-answer? For the reality is that the "over-population problem" is but a smoke screen used by Japan to shield her aggressive activities against China, since over-population is not a problem that besets Japan alone; it is a problem waiting for equally urgent solution in every other country. Japan's over-population, like that in other capitalistic countries, is comparative, not absolute. There have been occasions of economic scarcity caused directly by absolute population excess in the history of the world; but such phenomena are rare and far between. Comparative over-population is a sequence to the problem of unemployment. Since the beginning of the industrial revolution, production methods and techniques have kept on improving. As a result, a certain proportion of workmen is always left idle. In times of over-production, the market is surfeited with unsalable commodities. Plants must perforce be closed down, throwing more employees out on the streets. These unemployed consitute what we call comparative excess population. It is not an absolute excess based on the ratio of supportable density of population on a given land area. The population of Japan in ratio to her cultivable land area is not any denser than that of other countries. Its apparent great density is due to the unbalanced conglomerations of people in large cities and industrial centers. Northern Japan, as for instance the Hokkaido, is surprisingly sparsely populated. Were it necessary for Japanese to emigrate, schemes for moving part of the population in the denser to some of her own more sparsely populated areas should have been planned and tried out in the first place, before any project of moving them into territories of other countries should have been attempted and backed up by force. Again, Formosa has long been annexed and become a part of the Japanese Empire, yet Japanese emigrants thereinto from 1896 to 1936 number only a petty 11,311. That the aggressive designs of Japanese imperialists were not motivated by a desire or need for finding an outlet for its over-population is thus convincingly proved. No, it was not a question of over-population but one of an abnormally developed capitalism wherein raw material, producing areas, cheap labor, great-capacity markets must be found to meet its industrial needs. We trust Mr. Stimson does not disagree?

*(To be continued next week)*

## Movements and Appointments in Diplomatic and Official Circles

F. T. Cheng, the new Chinese judge at the Permanent Court of International Justice, was formally sworn into office at The Hague on May 4.

Cheng Tien-ku, Political Vice-Minister of Industry, returned to Canton May 4 by airplane from Hainan island, where he investigated the possibilities of industrial development.

T. V. Soong, chairman of the board of directors of the Bank of China, will not go to Szechuen for the time being, the *Hwa Mei Chao Pao* of May 5 stated. Instead Mr. Soong will proceed to Canton and Hainan Island in the near future.

Gen. Ma Lin, Chairman of the Chinghai Provincial Government who went on a pilgrimage to Mecca last fall, arrived in Lanchow May 4 by plane en route to Sining, the provincial capital of Chinghai. He remain there for several days and then proceeded to Linhsia, his native place.

General Hsiung Shih-hui, Chairman of the Kiangsi Provincial Government, arrived at Kingtechen, porcelain center in northeastern Kiangsi, last week to inspect the various Government factories and porcelain kilns.

General Han Fu-chu, Chairman of the Shantung Provincial Government and concurrently Commander of the 3rd Route Army, left by motor car from Tsinan May 8 for Changkiu to inspect the various districts north of the Kiaochow-Tsinan Railway and south of the Yellow River. He will return via Chefoo.

Dr. Wang Chung-hui, Minister of Foreign Affairs, was the host at a luncheon given in Nanking May 8 in honor of Admiral H. E. Yarnell, Commander-in-Chief of the American Asiatic Fleet. Among the guests invited were Nelson T. Johnson, the American Ambassador, Willys R. Peck, Counsellor of the American Embassy, Vice-Admiral Chen Chi-liang, Political Vice-Minister of the Navy, and the senior staff of the Foreign Ministry. Dr. Wang Chung-hui was entertained at dinner by Ambassador Johnson in the evening.

After spending more than a month in the south, four Mongolian dignitaries—Prince Sha-Ko-Tu-Erh-Cha-Pu, President of the Yeghe Jo (Ordos) League and concurrently Chairman of the Local Autonomy Political Affairs Committee of the various Mongolian Leagues and Banners in Suiyuan Province, Princes O-Chi-Erh-Hu-Ya-Ko-Tu and Kang-Ta-To-Erh-Chi, Jassaks of the Dzasak and Dalat Banners of the Yeghe Jo (Ordos) League, and Ko-La Hutuketu,—returned northwards by the Peiping-Pukow through train May 8.

General Wu Te-chen, Chairman of the Kwangtung Provincial Government and concurrently Commander of the Kwangtung Provincial Peace Preservation Forces, and Lieut.-General Ouyang Chu and Tsou Min-chu, members of the Kwangtung Provincial Government Committee, were formally sworn into office at the Sun Yat-sen Memorial Hall in Canton May 6. The oath was administered by Tan Chen, Vice-President of the Judicial Yuan, on behalf of the Central authorities.

Four Japanese officials, who formerly saw service in China, were among 21 foreigners decorated by the National Government May 4. The four Japanese are K. Wakasugi, formerly Counsellor of the Japanese Embassy and Consul-General in Shanghai; Y. Suma, formerly First Secretary of the Japanese Embassy and Consul-General in Nanking; T. Kawai, formerly Consul-General in Canton and Shanghai; and Lt.-Col. T. Amemiya, formerly resident military attache in Nanking. Among others honored by Nanking Government was Capt. A. Chiapparo, Italian air attache.

Major-General Kita, Japanese Military Attache to the Japanese Embassy, who, not long ago, made an extensive tour of the various localities of North China and conferred with the Japanese military attaches there with regard to all sorts of affairs, is making a tour of South China.

During the absence of S. Kawagoe, the Japanese Ambassador, S. Hitaka, Counsellor of the Embassy, will be Charge d'Affaires at Nanking. Mr. Hitaka paid a courtesy call on Chang Kia-ngau, Minister of Railways, May 5.

Rear-Admiral Tadao Honda, naval attache to the Japanese Embassy in China, was host to local Japanese, Chinese and foreign notables at a cocktail party May 10 to mark the transfer of his residence and office to 246-248 Darroch Road, in Shanghai. The naval attache's official residence and office were formerly situated at 563 Dixwell Road.

Suemasa Okamoto, the newly appointed Japanese Consul-General in Shanghai and Counsellor of the Embassy in China, arrived here May 8.

Signor Stefani, High Italian Advisor to the Chinese Government, started this week on an extensive tour of the North China Provinces. After visiting Tsinan, Tsingtao and other Northern ports, the Italian advisor will also proceed to the Central and Southern parts of China, including Kwangtung and Kwangsi.

Benedict I. Kozlovsky, Soviet Consul-General in Shanghai in 1927 and now director of the Far Eastern Bureau of the Foreign Commissariat in Moscow, will succeed Constantin C. Yureneff as Ambassador to Tokyo.

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, again presented his credentials to Lin Sen, Chairman of the National Government, in the name of King George VI, the new monarch of England, at Nanking May 6.


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## Significance of the Proposed Tsangchow-Shihchiachuang Railway Explained

Pointing out the significance of the forthcoming construction of the Tsangchow-Shihchiachuang Railway with Japanese capital, an article, appearing in the *Shun Pao Weekly*, April 25 stated:

"The underlying policy for the development of North China by Japanese imperialism is centered in the facilitation of the development of its national heavy industry in Japan in compliance with the need of its preparations for war. Therefore, the main part of its plan has important military significance. On the other hand, voicing the slogan of 'Industrial Japan and Agricultural China,' Japan has endeavored to economically subjugate North China as its colony, by amalgamating the national industry of North China and reducing it to a Japanese market and a place for Japan to get cheap raw materials and human labor; thus, its plan also involves economic significance as well. Viewed from these two points, we fully understand the ulterior motive of the Japanese authorities in urging the construction of the Tsangchow-Shihchiachuang Railway.

"(1) With the Nanking-Pukow, Peiping-Hankow, and Peiping-Hankow, and Peiping-Suiyuan Railways, the Tsangchow-Shihchiachuang Railway after its construction will be utilized to exercise absolute control over the whole of Hopei Province, and also to cut the connection between the Nanking-Pukow and the Peiping-Hankow Railways, thereby splitting North China from Central China. In an event of a Sino-Japanese war, Japanese troops, stationed in Peiping and Tientsin, and the puppet Paoantui of Eastern Hopei Bogus Regime will make a westerly advance along the Peiping-Suiyuan Railway and will also easily reach Taiyuan by the Tsangchow-Shihchiachuang Railway and the Chengta Railway, thereby facilitating their attack on the North-West of China. Therefore, it is certain that the completion of the construction of the Tsang-Shihchiachuang Railway will not only encourage the Japanese to annex North China and attack the North-West but also to cast their covetous eyes on Central China.

"(2) As the districts along the Tsangchow-Shihchiachuang Railway are known to be the important agricultural areas of Hopei Province, all these places will be placed under Japanese control, as soon as the construction of this line is completed. Furthermore, the mineral products of these areas such as coal and iron will be easily transported to Japan by the Chengta and the Tsangchow-Shihchiaochuang Railways via Tangku; thus, Japan will naturally relieve her hunger for iron and coal this way. Meanwhile, the Japanese will, through these lines, transport their surplus goods to interior parts of Shansi and Shensi, so as to squeeze the last drop of blood and sweat from our peasants and deal a fatal blow to our national industry.

"The construction of this line is to be started during the first part of this year. If no special development is staged in Sino-Japanese relations, it will commence on schedule. Hence, North China will be further menaced by the completion of this line.

"Finally, it should be noted that this construction is the most important manifestation of Japan's enforcement of its Continental policy and an indispensable prerequisite for her future attack on Soviet Russia. For the sake of national existence and freedom, we should feel it incumbent upon ourselves to stage opposition to it."

### Additional Railway to Be Constructed in Shantung

Advices from Tsinan stated that the construction of the Tsinan-Liucheng Railway in Shantung Province will be started early in July. A total sum of $6,000,000 will be spent on the construction, of which $2,000,000 will be appropriated by the Ministry of Railways.

### New Bridge to Be Built Across Yellow River

A new steel bridge will be built at Fenglintu to link up the Kunghai and Tungpu Railways across the Yellow River. It is reported that the bridge will be completed within one year at a cost of $800,000.

### Fukien Commissioner of Reconstruction Plans Railway Construction

Mr. Chen Ti-chen, Commissioner of Reconstruction for Fukien, who came to Nanking last week, is negotiating with the Ministry of Railways regarding the building of Fukien-Kiangsi and Fukien-Kwangtung Railways.

### Kiaotsi Line Extension to Liaocheng to Be Built in July

Construction work on the westward extension of the Tsingtao-Tsinan Railway to Liaocheng will begin on July 1, according to information from the railway administration at Tsinan. The new line, which will run about 240 kilometers, will cost $6,500,000. The Ministry of Railways and the Shantung Provincial Government will each bear $2,000,000 of the cost while the Kiaotsi Railway Administration will put up the remaining $2,500,000.

### Construction of Pukow-Hsingyang Railway Planned by Ministry

Plans for the construction of the Pukow-Hsingyang Railway, to run somewhat parallel to the Hsuchow-Chengchow Section of the Lunghai Railway, are now under the consideration by the Ministry of Railways. According to these tentative plans, the projected line will run from Hsingyang in Honan on the Peiping-Hankow Railway to Ouyi on the Tientsin-Pukow Railway through Hofei on the Huainan Railway, completing a railway chain through Kiangsu, Anhwei and Honan. The new line, when completed, will have a farreaching effect on the economic development of the provinces through which it runs, a spokesman of the Ministry of Railways pointed out at Nanking May 4.

### De-Luxe Motor Train Makes Debut on Canton-Kowloon Line

A de-luxe stream-lined giant motor train, christened "The Canton Beauty," made its maiden trip from Hongkong to Canton May 8. Recently purchased by the Canton-Kowloon Railway, the new train possesses a motor of 150 horse-power and a speed of 80 kilometers per hour.

### British and Chinese Corporation Chairman Pays Tribute to Chinese Railways Minister

The year 1936 was "the most useful and hopeful fot industries and trade in China since the Great War," declared D.G.M. Bernard, the chairman, at the annual meeting of the British and Chinese Corporation, Limited in London, May 6. Chinese statesmen, merchants and bankers, he said, had addressed themselves to the task of setting their house in order with praiseworthy energy and a measure of success, affording grounds for encouragement. Mr. Bernard drew attention to the satisfactory clearing up of loans in default. The effect, he asserted, had been to re-establish China's credit to a point where she may again hope to borrow on reasonable terms. The chairman paid a warm tribute to the Chinese Railway Minister's energetic and business-like control, and the personal attention he had given to the financial condition, of China's railways.

The route for the projected Hunan-Kwangsi Railway has now been fixed. Starting from Hengyang, southern Hunan, the line will pass through Chiyang and Linling, south-western Hunan, and Hing-an, north-eastern Kwangsi, and terminate at Kweilin, provincial capital of Kwangsi. *Kuo Min* says the survey of the line is now in progress and will be completed by September.

### Chuanlin Railway Company Increases Capital So as to Meet Higher Construction Costs

Because of the increase in prices on railway construction materials, the Chuanlin Railway Company, organized last year with a capital of $20,000,000 for the purpose of building the Chengtu-Chungking Railway, has decided to increase its capital by $5,000,000. It is reported that construction of the Szechwan railway was started on April 1 and that a number of consignments of building materials have been sent up river by the Min Sen Shipping Company.

### Chekiang-Kiangsi Railway Will Introduce Group Life Insurance

To safeguard the welfare of its workers, the Chekiang-Kiangsi Railway Administration has decided to introduce group life-insurance for its 5,000 employees. Those whose salary do not exceed $50 will pay a monthly premium of $0.50 and those receiving more than $50 monthly will pay $1. Should an employee die while in service, the sum of $500 or $1,000, as the case may be, will be paid to the family of the deceased.

### Investigation Groups to Study Economic Resources Along Lung-Hai Railway

Under instructions of the Ministry of Railways, four economic investigation groups have been organized by the Lung-Hai Railway to survey the economic resources of the areas served by the line and expand the railway business. They are to pay particular attention to the transport and marketing of products and economic conditions of the people in order that a better tariff of freight rates may be drawn up to meet the practical needs of the different localities, remove obstacles impeding freight transportation and assist in the development of the people's economy.

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## Tokyo "Asahi" Says China Seeks £20,000,000 Loan in London

Negotiations for the flotation in London of a £20,000,000 Chinese loan will be formally started in London by Dr. H. H. Kung, Chinese Minister of Finance and Special Ambassador to the Coronation, soon after the ceremonies are held, a special Shanghai dispatch to the Tokyo *Asahi* said May 11. The loan, it was stated, would bear 5 percent interest and would be secured on the revenues of the Maritime Customs, the Salt Gabelle and the Consolidated Tax.

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## Hunan to Reduce Surcharge on Land Tax

To relieve the burden of Hunan peasants, the provincial financial authorities have decided to reduce the surcharge on land tax in Hunan by 40 cents per mow beginning from July 1.

## "Lih Pao" Discusses Forbidden Books and Magazines

Discussing forbidden books and magazines in China, an article appearing in the *Lih Pao* May 10, writes :—

"Forbidden books and magazines are connected with the lives of their readers. This problem has pondered in our minds for a long time. In proving that it is as true as anything else in China, recent news has it that Huang Yuan was arrested sometime ago by the local authorities in Chapu (乍浦) because of his carrying a song book, entitled 'Voices of the General Masses.' Afterwards, through the assistance of his friends in Shanghai and a relative in Nanking, who is a member of the Control Yuan, he was released.

"The more endangered a state and nation becomes, the more books and magazines are forbidden. We should like to tender our opinion with regard to forbidden books and magazines :

"The motive of our competent authorities for the banning of books and magazines from publication is aimed at the direction of the people in order to lead them into a proper path. In other words, they fear that the brains of the people are as simple as infants. As a matter of fact, it is not so! There are so many books and magazines in the bookstores, which are written by our famous 'scholars' and sold at cheap prices. And yet, the people have scarcely chosen such books and magazines to read, which shows that they have more or less a little ability in choosing books and magazines for themselves. They know how to choose them ; thus, they are not so ignorant and blind as it is supposed.

"(2) We hope that those 'legal' books and magazines contain something, which is connected with truth or a part of it, as has been contained in many so-called 'forbidden' books and magazines, such as the betterment of the general living conditions of the masses and the theory of resistance against Japan for National Salvation.

"(3) People should be granted freedom to read those theories, which play a part in the recent trend of thoughts. Those documents in connection with the incitement of actions should, of course, be forbidden. But, as regards the books and magazines, which introduce and expose some theories, such should be treated with a little more clemency.

"(4) Finally, let us bring forth a rather ridiculous request ; that is, since there are so many 'forbidden' books and magazines, it is the best way for our competent authorities to make a list of their titles and spread these lists among our innocent people by the travel service bureaus, railway administration, or steamship companies, so that they might always warn them not to purchase or to bring with them these 'forbidden' books and magazines, because there are so many people who might have neither friends in Shanghai nor relatives in Nanking, who are members of a certain Yuan."

## Former Court Official Gets Sentence of Six Months for Stabbing Newspaper Columnist

Ching Su, former clerk employed by the District Court at Soochow and the man who stabbed Doho T. Yen, *Sin Wen Pao* columnist, two weeks ago, was sentenced to six months' imprisonment by the First Special District Court in Shanghai May 10. In addition to the six months, the court decreed that as soon as this sentence has been served, the convicted man must be placed in a home for the feeble-minded for a period of two years. Ching Su admitted the attack on Mr. Yen, stating that he was provoked because of certain articles the columnist had published.

"I warned him," he told the tribunal, "but he persisted in writing nonsense. Therefore, I stabbed him." The stabbing occurred on the night of April 25 at the *Sin Wen Pao* building where the assailant lay in wait for the journalist. The man used a two-foot iron file as a weapon, but fortunately, Mr. Yen was not seriously hurt. The columnist told the court that Ching Su had been annoying him for the past three or four years and that he was convinced that the man is insane.

## Charles H. Raven Confesses Judgment in American-Oriental Bank Claim

A confession of judgment was entered in the U.S. Court for China May 10 by N. F. Allman on behalf of Charles H. and Lillian Raven, defendants in an action brought by Dr. George Sellett, liquidator of the American-Oriental Banking Corporation. The liquidator sought to recover $93,749.64 for the defunct banking company's creditors, and judgment for that amount was consequently given by Judge Milton J. Helmick. The sum represented various loans made up to May 25, 1935, by the bank to Mr. and Mrs. Raven, brother and sister-in-law of the president, Frank Raven.

Security given for the loans consisted of 13,125 shares of Common "A" stock in the Bakerite Company, Fed. Inc., operating as the Chocolate Shop.

As a result of the judgment the stock will be transferred to the liquidator, giving him controlling interest in the company on behalf of the bank creditors. Charles Raven is general manager of the firm.

The action was brought n the first place by the original liquidator, the late Frank Hough, and was filed September 17, 1936.

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## Students at Peiping Become Unruly During May 4 Anniversary

Meetings were held at various Government and private universities in Peiping May 4 to commemorate the 18th anniversary of the May Fourth student movement. At the National University of Peking (Peita), the home of the movement, more than 200 students and teachers attended a meeting in the auditorium of the College of Sciences. Dr. Chiang Mon-lin, Chancellor of the University, was the principal speaker of the morning. His subject was "The Spirit of the May 4 Movement." After the meeting Dr. Chiang and Fan Chi-chang, Director of Studies of the University, inspected the student corps, and in the evening there was a variety entertainment. The Student Self-Government Association of the University issued a message to the whole student body, reminding them of the historic role of Peita in the May 4th Movement and urging them not to forget the spirit of that movement.

Chung Kuo Hsueh Yuan or China College also held a meeting in the morning to commemorate the anniversary. Ho Chi-kung, former Mayor of Peiping and now acting Director of the College, spoke on "The May 4 Spirit." Similar meetings were held at Yenching and Tsing Hua.

In the afternoon a meeting was held at the National Normal University under the joint auspices of the Peiping Student Union and the Student Union of the University. Among the speakers were Dr. Li Tseng, the Chancellor of the University, Professor Tao Hsi-sheng of Peita and Professor Yang Li-knu of the Normal University.

Stormy scenes occurred in connection with the celebration of the 18th anniversary of the May 4th movement held in the auditorium of the National Normal University in Peiping May 4. Sponsored jointly by the so-called new Peiping Student Union and the students of the University, the celebration drew a crowd of more than 500 students. Before the chairman called the meeting to order, about 100 students belonging to the old Student Union, who had occupied seats in front of the speaker's platform, rose, singing the Third International and demanding that several of their members be admitted to the presidium of the meeting.

The chairman suggested that members of the presidium be elected by those present. This, however, was rejected by the members of the old Student Union, who insisted on their right to nominate five of their group for the presidium.

The chairman next suggested that the presidium be abolished altogether and that the master of ceremonies take charge of the meeting. This proved equally unacceptable to the minority who again sang the Third International in chorus, throwing the meeting into great confusion. The boy scouts from the Chih Cheng Middle School, who were on duty, tried to ask these students to leave the meeting but instead they leaped on to the platform and destroyed the party flags and a portrait of the late Dr. Sun Yat-sen.

According to *Reuter*, a free-for-all fight ensued, in which a number of students were injured. Police later arrived on the scene and, with the assistance of boy scouts and other law-abiding students, succeeded in expelling the trouble-makers from the auditorium.

### Students to Be Sent Abroad on Lin Sen Birthday Scholarships

The Central Kuomintang Headquarters will dispatch annually two or three students for advanced studies abroad on the interest accrued from the $200,000 Scholarship Fund created recently in honor of the 70th birthday of Lin Sen, Chairman of the National Government. Courses to be studied will be confined to military chemistry, and sciences relating to paper-making, dyeing and steel manufacturing. The Ministry of Education will be entrusted with the task of conducting competitive examinations for candidates and also submitting reports on the scholastic records of the successful candidates.

### Assistance to Be Given to Chinese Students to Study in Egypt

Chinese students who desire to go to Egypt for advanced studies in Mohammedanism will be given official assistance from the Chinese and Egyptian Governments. King Fuad I of Egypt, it is learned, has requested the Chengtah Normal School in Peiping to send 20 students to Egypt to promote closer understanding between the two nations. Deeply interested in the matter, the Central Kuomintang Headquarters and the Executive Yuan have respectively granted subsidies of $3,000 and $1,000 to the Chengtah Normal School.

### More Than 1,200 Youthful Athletes Participate in Shanghai Annual Track Meet

Upwards of 1,200 contestants, including boys and girls from various local primary schools, participated in the 9th annual track and field meet, at the grand Municipal Stadium at the New Civic Center, Kiangwan, last week.

### Peiping Professors Return from Tour of Provinces

The party of eleven professors of the College of Law and Commerce of the Peiping National University, which left Peiping last month on a tour of inspection of Hupeh, Kwangsi, Honan and Kwangtung, returned to Peiping May 7. The party was led by Pai Peng-fei, Director of the College. It visited Changsha, Kweilin, Canton, Hankow and Hengyang.

### Curled Hair Banned in Peiping Middle School

The authorities of the Yi Chiao Middle School in Peiping have issued an order forbidding their students to curl their hair. In school, the proclamation says, students should devote their full attention to their studies instead of occupying their minds on how to improve their personal appearance.

## Twenty-Second Anniversary of XXI Demands Observed May 9

The twenty-second anniversary of the acceptance by Yuan Shi-kai, under duress, of the XXI demands presented by Japan in 1915 (since then known as National Humiliation Day), was observed by a memorial service held at the Central Kuomintang Headquarters in Nanking May 9. National flags were placed at half-mast and local amusement resorts were closed for the day.

## Ninth Anniversary of Tsinan Incident Is Observed May 3

The National Flag was lowered to half-mast and all amusements were suspended at Tsinan May 3 in observance of the 9th anniversary of the Tsinan Incident. A memorial service was held at the Shantung Provincial Party Headquarters when an address on the Incident was made by Chang Chu-chi, member of the Supervisory Committee of the Provincial Party Headquarters. More than 500 representatives of various organs and civic organizations were in attendance. Similar services were held in various other cities in China.

## North-Eastern University Is Definitely Made a National Institution

The petition of Dr. Wang Shih-chieh, Minister of Education, asking that the North-eastern University be definitely made a National institution and that all colleges of the said University be concentrated at Sian, provincial capital of Shensi, as from the autumn semester (September), has been approved by the Executive Yuan. It may be mentioned in this connection that the North-eastern University was founded by General Chang Tso-lin at Shenyang (Mukden) in 1922. It was removed to Peiping after the Shenyang Incident of September 18, 1931. After the Sian coup of December 12 last, the Ministry of Education, with the approval of the Executive Yuan, converted the said University into a National institution and appointed Tsang Chi-fang as Acting President on Jan. 11.

Owing to the opposition of a portion of the faculty and students against the conversion of the University into a National institution, arrangements were made by Tsang Chi-fang with the Honan Provincial Department of Education and the Honan Provincial University for temporary accommodation at the Honan University in Kaifeng of the law-abiding students of the North-eastern University.

The Ministry of Education simultaneously suspended the appropriations for the North-eastern University in Peiping. The College of Engineering of the said University in Sian was formally taken over by Tsang Chi-fang on March 3 and Wang Wen-hua made the new Dean.

## "Hongkew's No. 1 Enemy" Escapes from Japanese Prison

The Japanese Consular Police in Shanghai were busy this week searching for Masao Hotta, "Hongkew's Public Enemy No. 1," who broke out of the Consular jail on Monday night.

Taking with him more than $270 from the Consular Police Station safe, Hotta fled from the jail, a few days before he was to be sent under guard to Nagasaki to stand trial for a long series of alleged crimes. He is charged by the Japanese Consular Police with having impersonated an officer, committed burglary, robbery and rape and with willful misrepresentation to obtain money.

Hotta was alleged to have been seen on the *Loyang Maru*, a coastal steamer moored at the N.Y.K. mail wharf, shortly after his escape.

Because of the fact that Hotta had been living in a Chinese hotel near the New World, at the intersection of Avenue Edward VII and Boulevard de Montigny, before his capture, the French authorities were asked to keep a look-out in establishments of that type in their territory. The Water Police also checked all passengers leaving Shanghai.

### Japanese Police Deport Eight Undesirables

The Japanese Police of Shanghai this week made a clean-up of undesirables, deporting eight of them to Japan May 10. These deportees had received a stay of prosecution conditional upon their leaving Shanghai. Included were four alleged narcotics peddlers, three prostitutes and one described as a procuress. The money which Hotta stole from the Consular jail safe was the property of the deportees, it having been held for them by the police.

## N. C. C. Votes Cooperation with New Life Movement, as Suggested by Madame Chiang

On May 5 at the New Asia Hotel in Shanghai more than 120 Chinese and foreign members of the National Christian Council gathered to inaugurate their regular seven-day biennial conference. The main topic around which the meeting centered was "The Church in a Changing Age," and the principal sub-topics were "Life of the Christian Church," "Programs of the Christian Church," "The Church and its Relations", and "The Church and its Co-operative Work."

In connection with the first sub-topic, "Life of the Christian Church," it was announced that an evangelistic campaign is planned for this autumn under the leadership of Dr. Stanley Jones with a picked team made up mainly of Chinese leaders.

At the meeting held on May 6, a message from Madame Chiang Kai-shek was read by Dr. Wu Yi-fang, Chairman of the Council. She declared that the one thing society asked of the Church was that it should show men how to meet the pressing problems of the day. Turning to China she said that the present conference had to deal with the Chinese environment of today, that the Church could no longer stand apart from the development of modern China. Declared Madam Chiang: "The bugle call of the New Life Movement is sounding clearly in the dawn of China's new day."

Speaking in detail of the Church's cooperation in rehabilitation work in China, Madame Chiang said that both she and the Generalissimo were more than gratified at the the aid which the Christian Church had given toward organizing eleven rural experiment centres in Kiangsi. She also emphasized the response which the Church had given to the need for rehabilitation in general in the recovered Communist areas.

Wherever she and the Generalissimo have gone, Madame Chiang said, they have been astonished at the devotion and work of missionaries living far in the interior and they have been dismayed at the lack of properly trained Chinese men and women to support these heroic missionaries or to carry on independent work. China has at last awakened to a new and wonderful world of progress, in which the Church has a large role to fill.

Therefore, she said, since the Christian faith is not merely a social creed but a revelation from God, "let the younger churches of the East and the older churches of the West unite in a grand effort to bring New Life to the people of the towns and villages." Then Madame Chiang on behalf of the Generalissimo and herself invited a still closer cooperation between the Government and the Church through the activities of the New Life Movement. Continuing she outlined the many benefits which the New Life Movement had given the people throughout many spheres of activity.

In response to Madame Chiang's plea for more effective co-operation between the Church and the Government through the agency of the New Life Movement, the National Christian Council at its meeting on May 8 voted that individuals as well as all groups should cooperate in the program of the New Life Movement insofar as possible. Speaking of the matter Dr. Y. C. Yang referred to the New Life Movement as one of national significance. The Council decided also to arrange for the widest possible distribution of Madame Chiang's address, both in Chinese and English.

## Sun Yat-sen Institute Acquires Huge Ranch in Southern Anhwei

With the approval of the Anhwei Provincial Government, the Sun Yat-sen Institute for the Advancement of Culture and Education has acquired 45,000 mow of undeveloped land at Wanchih, in southern Anhwei, for the establishment of a Sun Yat-sen Agricultural Ranch. Ma Chao-chun, Mayor of Nanking, paid a visit to Wanchih by motorcar May 9 with Chen Chien-ju, Commissioner of Social Affairs, and Dr. Chang Chih-wen, Dean of the College of Agriculture of Nanking University.

According to Mayor Ma, the Sun Yat-sen Institute has designated Ma Chih-chun as Director of the Ranch. The ranch will pay particular attention to the improvement of rice, wheat and cotton cultivation and the raising of sheep, cattle, and rabbits.

## Nanking Sends 40,000 Troops to Szechuen?

The *Shanghai Nichi-Nichi* May 9 stated that as Gen. Liu Hsiang, chairman of the Szechuen Provincial Government, has been sick for a long time and has been unable to attend to his duties in the provincial government, Gen. Liu Wen-hui of Sikong is contemplating an attack on Chengtu. In view of the situation, some 40,000 Central Government troops, it was stated, have been despatched to Chengtu. The presence of these Central Government troops will, however, check the ulterior motives of Gen. Liu Wen-hui.

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## China's Importance in Philippine Independence

(*From the Manila American Chamber of Commerce Journal*)

When the Philippines leave America they will merge at once into the Orient. They are oriental, despite the fact that dominant cultural and commercial interests here have been western for four centuries; and they can not lift themselves up, being so many islands, like a thousand-legged worm and pitpat into the West—they have to stay where Nature placed them. Being where they are, and the Chinese people and China herself where *they* are, China has long had a dominant interest in them. So much so that scholars say there is Chinese blood in every Filipino, while it is obviously true that some 200,000 Chinese actually live in the Islands and are bringing up their children here, well cared for. It is not merely as merchants that Chinese lead the field in the Philippines, their manufacturing plants dot Manila and its environs everywhere—a scope in which their capital and industry are rapidly expanding.

Just how the Philippines merge back into the Orient, when America lets go of them, must interest China greatly; and she is hardly so supine, under the new nationalism that inspires Chiang Kai-shek's leadership, as to permit this interest to lapse by default. What is China's handicap here as things stand?

China labors here under the handicap of the exclusion law. Chinese immigrants are excluded from the Philippines, but Japanese immigrants are admitted. Beyond question, here is something that China will want corrected before she consents to any international agreement protecting the neutrality of the Philippines. Exclusion of Chinese immigrants from American territory is something that America and China have painfully worked out together. The elements of its stability are not very strong. But it is one thing, while exclusion of Chinese immigrants from the Philippines as another oriental country, at the same time that Japanese immigrants would of course continue to be admitted, would be quite another thing—not at all to be thought of by China.

China defers, in dealing with America on this subject, to America's high wage and living standards; and besides that, no doubt, to America's power as well as the two countries' historical friendship for one another. In the case of the Philippines, no longer territory of the United States, only the element of friendship would persist: wage differences and living standards would not be at great variance, nor differences in blood and culture.

From the independent Philippines, either Chinese will not be excluded or no orientals at all will be admitted; and the latter alternative is hardly tangible, since the independent Philippines will of necessity merge immediately into the Orient and seek stability among its oriental neighbors. When China advances her claims along this line, it will be good politics and true friendship for America to support them; she can lend this support without giving just offense anywhere. Also, so far as may be seen, England would take a similar attitude. As to that, Japan will hardly oppose. Japan has much territory dominantly inhabited by Chinese, and Japanese go where Chinese settled long before them and compete with the Chinese—as they are doing in the Philippines.

The independent Philippines will not, therefore, be the country we know now: a large and fruitful country, sparsely inhabited and growing in population only by the native increment—its culture western and its commerce mainly with America. On the contrary, the independent Philippines will have floated loose from the West and anchored to the East.

### Pensions of Sixty-two Old-time American Teachers in Philippines Are Cut

Sixty-two American teachers retired from the Philippine civil service under the teachers' pension act of 1922 have banded themselves into an association for common action and are making appeals to officials at Washington, and members of Congress, holding that abrogation of the pension act by the Philippine Commonwealth was a breach of contract as well as an injustice. At the same time, one of the Filipino teachers similarly treated, who number thousands, has a case pending in the Philippine supreme court. She hopes for a Favorable decision; failing it she plans to appeal to the United States supreme court on grounds that a constitutional point is involved.

### F. P. A. President Discusses the Philippine Dilemma

A series of articles on the "The Philippine Dilemma" by Raymond Leslie Buell, president of the Foreign Policy Association, appeared in the *Washington Post* April 1, 2 and 3. Mr. Buell expressed the opinion that the fear that a dictatorship will arise in the Philippines did not justify perpetuation of American rule. The one danger in the situation was that the United States remained responsible to the outside world for the acts of the Philippine Commonwealth. Discussing commercial relations, Mr. Buell says the best solution would be an exclusive preferential arrangement, similar to that which exists between the United States and Cuba.

Discussing the Islands defence problem, Mr. Buell says: "Whether one believes in withdrawing from the Orient or in resisting further aggressions of Japan, the present situation is highly unsatisfactory. The first step in remedying this situation is for Gen. MacAuthur to resign either as military advisor to the Philippines or as a general in the United States Army. The Philippine Commonwealth may be justified in building up a defense force, but it is not justified in involving the United States. What further steps should be taken depends upon whether the United States intends to withdraw entirely from the Orient, giving Japan a free hand in this area. If we decide to adopt the withdrawal policy, then this country should certainly not attempt to conclude any neutralization agreement for the Philippines."

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## Comprehensive Plan for Development of Fukien Industries

BY CHEN FU SHENG (陳福生)

UNDER the auspices of the Fukien Branch of the National Economic Council, a general survey of industrial conditions has been conducted, and a definite program for development of industries has been made.

### Textile Industry Occupies First Place

Of all Fukien's imports, textiles occupy the first place. In view of the dumping on the part of foreign textile-producers, native textile industry is dwindling. Improvement of local textile industry is, beyond doubt, a matter of great necessity. A textile factory, operated by the government, is to be established in Foochow, with a capital of $385,000.

*Flour-making*—Hitherto antiquated methods of grinding corn have been employed. The flour thus produced naturally cannot compete with mechanically produced flour. Three mills are to be established at Foochow, Changchow (South Fukien), and Kienao (North Fukien), with a capital of $300,000.

*Manufacture of Alcohol and Soy*—Conditions in Fukien are favorable to the manufacture of alcohol. South Fukien, especially Sienyou, abounds in sweet potatoes and sugar. The cost of producing eighteen liters of alcohol is, according to some estimates, less than five dollars, but the selling price is greater than eight dollars. A small-scale alcohol manufactory, with a capital of $100,000, is to be founded at Sienyou.

Another manufactory for making soy with scientific methods, is to be established at Foochow under the management and guidance of a Government Technical School.

*Tree-growing*—Timber is a leading product of Fukien. In the upper reaches of the Min River, trees grow luxuriantly. The luxuriant growth is favored by climatic conditions; artificial cultivation is certainly needed. The cutting down of undergrown trees should be discouraged; conservation of forests, reclamation of waste lands and their forestation, should be encouraged; scientific methods of destroying harmful insects should be introduced.

*Mining*—Fukien is rich in mineral resources. The coal mines in Shaowu, Kienao, Chungan, and Pucheng (North Fukien), Lungyen (West Fukien), Anchi and Yinchung (South Fukien), will give an annual output of millions of tons, and yet Foochow and Amoy every year import two hundred thousand tons of coal. Once the Li Shan mines in Kienao were developed, but the activity was soon suspended. The development company will be re-established and financed by the government. Similarly, coal mines in South and West Fukien will be developed when finances permit.

*Improvement of Porcelain*—The porcelain produced in Tehwa (West Fukien) is well-known throughout China. With the improvements of arts of making, Tehwa Chinaware can find good markets at home and abroad. Steps are being taken by experts.

*Tea Industry*—Tea is the greatest export of Fukien. Chungan (famous for its production of Bohea tea), Fuan, Futing, Anchi, etc., are tea-producing districts. Methods for cultivation of tea-plants and making of tea are to be improved. Tea is to be inspected before exportation so as to insure high quality.

*Sugar Refining*—South Fukien, particularly Changchow, Chuanchow and Hinghwa, abound in sugar cane. Should improved methods of refining be adopted, Fukien sugar can compete with Formosan sugar in international markets. A large-scale sugar-refinery with, at least, a capital of $1,000,000 should be built at some suitable place in South Fukien.

*Paper-making*—Fukien, being a bamboo-producing region, people in North and West Fukien use old methods to manufacture paper. At its highest, the annual export of Fukien paper reached twelve million dollars but now it is vanishing. In Foochow, there is a newly-established paper factory. Strange to relate, it manufactures by machine the same kind of coarse paper as produced by native craftmen, thus dealing a fatal blow to the hand-made paper industry. To relieve the deteriorating paper industry, a sum of $300,000 is needed. Besides, the Foochow Paper Factory should be counselled and assisted to turn out fine paper instead of coarse quality.

*Other Industries*—Other industries like umbrella-making, cigarette-making, and tanning will be either improved or initiated.

The necessary funds for execution of an economic program is estimated at $3,500,000. The government cannot at once put into execution all phases of the program but it will proceed step by step toward the ultimate realization of the program.

Foochow, May 3, 1937.

# Who's Who in China

General Chiang Chu-ou, artillery officer; born at Tungan, Hunan, 1891; graduated from a military officers' institute in Kwangsi; has successively served as Commander of the 2nd Division of the 44th Army of the Nationalist Revolutionary Forces; Military Counsellor of the National Government with the rank of Lieutenant-General and concurrently Commander of the Armoured Car Corps; Special Military Commissioner of the Peiping-Hankow Railway; Senior Staff Officer of the Military Affairs Commission with the rank of Lieutenant-General; now Director of the Bureau of Railway Police of the Ministry of Railways; author of "Tactics of Railway Artillery Corps" and "Observations on Army Communication Systems in Europe and America;" address: Bureau of Railway Police, Ministry of Railways, Nanking, or 11 Ninghai Road, Nanking.

蔣鋤歐字訴心
General Chiang Chu-ou

蔣鋤歐字訴心，年四十七歲，湖南東安縣人，廣西陸軍幹部學校畢業，曾任國民革命軍第四十四軍第二師中將師長，國民政府中將參軍兼鐵甲車司令，平漢路軍事專員及軍事委員會中將高級參謀等職，現任鐵道部鐵道隊警總局局長，著有鐵道砲隊戰術草案，及歐美軍事交通考察記等書，通信處，南京寧海路十一號。

## Szechuen Provincial Government Relies on Opium for Revenue

The *North China Daily News*' correspondent, writing from Chungking, Apr. 30, stated that the racketeering in opium continues unchecked in that region. The Szechuen Provincial Government tries to put on a good face in the matter but the so-called government control is giving a group of bureaucrats a wonderful opportunity to squeeze the helpless producers and hold up the smoking portion of the population for top prices. A conference of licensed dealers was held recently when instructions were issued for the protection of the grower and consumer. There will be no hope for a real check to this lucrative trade until the Provincial Government no longer needs the revenue to support its troops, the correspondent added.

### $20,000 Drugs Seized in Shansi Railway Station

Several hundred packages of raw materials for the manufacture of narcotic drugs, valued at $20,000, were discovered in the baggage room of Yutze Station on the Taiyuan-Shihchiachwang station May 5. The two trunks, which contained the drugs and which were left unclaimed, were later destroyed.

The second of two large consignments of narcotics sent to Shansi from Tientsin was seized by police at Yutze station, on the Chengting-Taiyuan Railway, May 10. The drug, weighing 70 kilograms and contained in 60 packages, was found in two boxes left unclaimed at the station.


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Hands, *by Hsiao Hung*, Translated *by Richard L. Jen*

A Memoir of Ten Days' Massacre in Yangchow, *by Wang Hsin-ch'u*, Translated *by Lucien Mao*

**BOOK REVIEWS**

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# Men and Events

The Sino-British Cultural Association will hold its third annual meeting in Nanking May 15.

Shao Lih-tsz, director of the Central Publicity Department, spent a week-end holiday at Ningpo and also spent several days in Shanghai this week, before returning to Nanking.

Mei Lan-fang, famous Chinese female impersonator, is planning to make a second visit to the United States, probably in September or October, according to reports circulated in Shanghai this week.

William M. Garland, American member of the International Olympic Committee, arrived in Shanghai this week accompanied by Mrs. Garland, their son and daughter-in-law, from North China.

Miss Law Yaut Sit, principal of the True Light Primary School at Canton, was awarded the degree of Doctor of Literature at South Hadley, Mass., May 8, at the centenary ceremonies of Mt. Holyoke College.

The bubonic plague, now raging in south Fukien, has claimed no less than 400 lives in Fochang alone, according to Dr. Y. N. Yang, of the National Health Administration, who is directing the plague-suppression work in Fukien.

The 30th anniversary of the foundation of Tung Chi University will be observed at 4 p.m. on May 18 when a tea party will be held on the 7th floor of the new Nanking-Shanghai Railway Administration Building, opposite Boundary Road, Shanghai.

The American Legion Frederick Ward Post have selected Sunday, June 6, for their annual ceremonial at the grave of this Taiping Rebellion hero. After the ceremony, at which Col. Charles F. B. Price will be the principal speaker, a picnic lunch will be served.

C. J. Chancellor, Far Eastern Manager of *Reuters* and John R. Morris, Far Eastern Manager of the *United Press*, were entertained by Dr. T. T. Li, Director of the Publicity and Intelligence Department of the Ministry of Foreign Affairs, at a luncheon in Nanking May 6.

Mr. and Mrs. O. J. Bliss of Chicago were visitors to Shanghai this week enroute from India to San Francisco via Japan. Mr. Bliss was formerly a technician with the Commonwealth Edison Co., but is now retired.

Clarence E. Gauss, American Consul-General in Shanghai, and Mrs. Gauss, were hosts at a cocktail party and reception May 4 in their Amherst Avenue residence, to introduce the Commander-in-chief of the U.S. Asiatic Fleet, Vice-Admiral Harry E. Yarnell, and Mrs. Yarnell.

According to Ma Ho-tien, the high commissioner of the National Government who is scheduled to go to Tibet together with the Panchen Lama, they will start on the journey to Lhasa in July. Mr. Ma visited Nanking last week to join the "Living Buddha," traveling by way of Sian.

Yang Chih-hsiung, a 34-year old Yunnanese student in Tokyo, May 5 achieved the distinction of being the 40th Chinese to receive a doctor's degree in Japan. He won his medical degree with a thesis entitled, "Research on Tuberculosis," written entirely in the Japanese language.

In response to an invitation extended by the French Government through the French Embassy in China, the Ministry of Industry has requested the Chinese Embassy in Paris to appoint a delegate to attend the first international conference on practical weights and measurements.

Liu Yung-hsin, ricsha puller who robbed and killed Mrs. Susan Weddell Hsu, American woman married to a Chinese, in Nanking in October, 1935, was executed at Nanking May 9 by order of the Garrison Commander's Headquarters, following conviction of the puller on murder charges.

Bubonic plague broke out this week at Hsiatangchi, a town in Central Anhwei about 30 kilometers to the north of Hofei. Urgent messages have been sent by the Hofei authorities to the National Health Administration, asking that medical officers be immediately rushed to the stricken town to fight the epidemic.

The death of Major A. A. S. Barnes, Wiltshire Regiment (ret.) following an operation, occurred in Worthing, England, on May 3. Maj. Barnes came to Shanghai in the latter part 1908, succeeding Colonel W. M. Watson as Commandant of the Shanghai Volunteer Corps, and served in that capacity until his retirement in 1913.

With a view to training competent newspapermen, the Central Executive Committee of the Kuomintang has asked the Ministry of Education to order the establishment of journalism departments in all universities and colleges in the country. Various provincial and municipal Party offices have also been instructed to conduct special classes in journalism.

The Comptroller-General Office of the National Government has decided to take an "experimental census" in Chekiang, Kiangsu, and Shansi at the beginning of the 26th fiscal year before launching the nationwide census-taking in 1941.

*Central News* states that fresh air and a good rest, prescribed by a Chinese veterinarian, have gradually restored the health to two "pale" and sick white elephants, prize exhibits of the Zoological Gardens at Nantao, suburb of Shanghai.

A profit of $285,647.15, plus a further gain of unclaimed dividends on policies now lapsed, was reported to shareholders of the Asia Life Insurance Co. by their chairman, C. V. Starr, who presided at the company's annual meeting at 17 The Bund, Shanghai, May 6.

Certificates were awarded May 8 to twelve Shanghai girls, representing seven different nationalities at the spring graduation exercises of the Children's Nurses Training Course sponsored by the Joint Committee of Shanghai Women's Organizations. The exercises were held in the Y.W.C.A. Mrs. J. S. Whitney presented the diplomas.

Dr. Hu Shih, Dean of the College of Arts of the National Peking University, returned to Peiping May 9 from Nanking after attending the 13th annual meeting of the Board of Trustees of the China Foundation for the Promotion of Education and Culture in Shanghai and the 3rd annual meeting of the Deliberative Council of the Academia Sinica in the Capital.

First Sergeant Russell Schoneberger, of "A" Company, First Battalion, Fourth Regiment, United States Marine Corps, was found lying shot dead, with a 45 service pistol near his side, early May 9 in his rooms at Apartment 16, House 8, Greystone Apartments, 525 Seymour Road. The deceased was born in Marietta, Ohio, although his home address is given as Hollywood, California.

The boy scouts in Nanking held their third annual jamboree May 5. A review of the scouts by General Ho Ying-chin, Minister of War and concurrently Vice-Chairman of the National Boy Scouts Association, was one of the main features of the event. Speeches were made by Dr. Wang Shih-chieh, Minister of Education, on behalf of Central Party Headquarters; General Lu Chao, on behalf of the National Government; and Messrs. Yuan Yeh-chiu and Sun Mou-po, on behalf of the Nanking City Party Headquarters and the Nanking Municipal Government.

Sir Frederick Leith-Ross, Chief Economic Adviser to the British Governor, was created Knight Grand Cross of St. Michael and St. George, according to the Coronation Honors List made public in London May 10. Major-Gen. Francis Stewart Piggott, Military Attache to the British Embassy at Tokyo, was made Companion of the Bath. Judge Mossop of the British Supreme Court in China, was Knighted, and thus becomes Sir Allan G. Mossop.

Khouw Ke-hien, wealthy Java Chinese who arrived this week in his own plane on his first visit to China, was the guest of honor at a dinner party given by the China United Assurance Society in its apartment building on Bubbling Well Road May 8. Mr. Khouw is Director of the Nanyang Insurance Company, agents in Java for the local firm. Another guest of honor at the function was his companion and co-pilot, Tan Giegan.

After 18 days' captivity in the hands of bandits, Hsu Pao-hua, Assistant Manager of the Nanking Branch of the Kincheng Banking Corporation, made a dramatic escape and arrived in Hangchow May 5. Mr. Hsu was kidnapped last month on the Nanking-Hangchow Highway together with Hsu Po-yuan, Director of the Tientsin Branch of the Bank of Communications, who was rescued by the military and police on April 28.

Judge Milton J. Helmick in the U. S. Court for China May 8 passed sentences upon five Filipinos who were arrested during a raid last week on the Filipino and Pinoy Clubs, adjoining houses in Range Road, where the police found dice games in full progress. They were not charged with gambling, Judge Helmick pointed out as he passed sentence, but with operating rooms for the purpose of gambling. He made it clear that the District of Columbia Code, under which they were charged and which applies to Americans in China, expressly aimed at punishing those who commercialized gambling for purposes of making a profit out of it.

Local Japanese girls, yearning for a happy marriage, will soon have an opportunity to learn the best methods for achieving a blissful married life, as Mrs. Tokuko Okada, a Tokyo designer of fine clothes, has arrived here for the avowed purpose of opening a "Brides' School," similar to those operated in Japan. The "Brides' Schools," immensely popular in Japan, instruct prospective brides in the difficult science of attaining the greatest possible amount of domestic comfort on the smallest possible budget. Also taught is care for new born children, cookery, dress-making, flower arrangement and other concomitants of Japanese married life.

## Hut Dwellers Who Demolished "Homes" Receive Compensation from S.M.C.

Upwards of 500 hut dwellers in the Yangtszepoo district were paid $10 per hut by the Shanghai Municipal Council May 10, after having demolished their miserable quarters in accordance with an agreement made early this month. Five hundred more huts in the said area are to be razed next autumn. There will then still be 4,000 more of these structures, which it is planned to remove in half-yearly installments. Many of those who had "cashed in" on their huts moved into Chapei, while some of them crowded into and shared quarters with those living in huts which have so far escaped demolition.

The Shanghai *Nippo*, May 6, in noting that the compensation fee of $14 per hut had not yet been paid to the hut owners in the Yangtszepoo District (who have been deprived of their homes), commented that they were living under the open sky in extremely distressed conditions. They, consequently, had petitioned the Greater Shanghai Municipal Government authorities that huts be established in the Chinese City. This matter was being given due consideration by the competent authorities, due to its close relation with social problems, the *Nippo* added.

## Chinese-American Trade Week Will Be Observed in Shanghai May 16-22

The second annual observance of Chinese-American Trade Week, sponsored by the American Chamber of Commerce and the Chinese-American Trade Council, will take place in Shanghai May 16-22.

The program includes the following events:

Sunday, May 16, 1937, 10 a.m.—Good Neighbor Sunday at Fourth Marines Church.

Tuesday, May 18, 1937, 12 noon—Excursion by boat to view harbor development, tiffin included.

Wednesday, May 19, 1937, 10 a.m.—Special Program at the American School. Presentaton of prizes for essays on Chinese-American Trade.

Thursday, May 20, 1937, 7.30 p.m.—Chinese-American Night banquet and program at American Club;

Friday, May 21, 1937, 12 noon—Tiffin and program at American Club for students going to America, American University Club and Association of American University Women cooperating.

Sunday, May 23, 1937, 11 a.m.—Good Neighbor Sunday at Community Church.

## Giant Hwai River Canal Completed in North Kiangsu at Cost of $11,000,000

The huge canal leading the Hwai River to the sea in North Kiangsu, which is reputed to be the largest man-made waterway in China since the construction of the Grand Canal, was officially completed on the night of May 4, it was announced in Chinkiang last week. Built at a cost of over $11,000,000, the new canal took two years, six months and four days to be completed. Official opening of the canal for navigation will be announced later.

Chen Kuo-fu, Chairman of the Kiangsu Provincial Government and other high officials of the administration, inspected the canal, preparatory to the official opening. Newspapermen in Shanghai, Nanking, and other cities in Central China have been invited to visit the canal as guests of the provincial government at the inauguration ceremonies. *Central News* says the completion of the canal has been greeted with deep gratification, particularly among the farmers through whose territory the waterway traverses. It is generally believed that the canal will serve as a drainage system during the rainy season, which will thus help avert the many disastrous floods which have been experienced in North Kiangsu during the past years.

## Outside Roads Pact Gives Chinese Larger Share of Taxes Collected

The tentative agreement reached between the City Government of Greater Shanghai and the Shanghai Municipal Council in regard to the question of extra-Settlement roads, providing for the Council to receive 49 per cent of the total tax and rate receipts of the outside road areas, and the City Government to receive 51 per cent, was made public in Shanghai this week through a Chinese press dispatch from Nanking.

The agreement provides, among other things, according to the dispatch, for a special police bureau with a Chinese as the head of the organization assisted by a foreign commissioner. It is stated that the tentative agreement initialed by O. K. Yui, acting mayor of Greater Shanghai, and Stirling Fessenden, S.M.C. secretary-general, concedes the right of the Chinese to police the area.


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# New Books of Interest in the Far East

## When Czarist Russia Threw Away Its Fleet to the Japanese

*Tsushima, By A. Novikoff-Priboy. Translated from the Russian by Eden and Cedar Paul. George Allen and Unwin, London. 1936.*

This remarkable book tells the story of the battle of Tsushima, exactly thirty-two years ago, in which the Russian Second Pacific Squadron, a fleet of tremendous power in the hands of aristocratic fools, was utterly destroyed by the Japanese. With the destruction of this fleet, the Japanese were undisputed masters of the eastern seas from the frozen north clear around to Korea Bay, and shared with her ally Britain control of the Gulf of Chihli, dominating the capital of the Chinese Empire at Peking. Already Japanese forces controlled the Liaotung peninsula, and a great area further north in South Manchuria. With the conclusion of the war, most of the Japanese troops were withdrawn, but garrisons were left along the railway, and Port Arthur was further strengthened and maintained as a Japanese stronghold; the grip of Japan upon this part of China never relaxed. Finally, in 1931, came the last step,—actual military occupation of the whole of the Three Eastern Provinces.

The book under review is not simply a historical study, however. The author emphasized the historical significance of the battle of Tsushima, but the real value of the work as is a first-hand description of the fleet and the battle, by the paymaster's steward on the battleship "Oryol" ("Eagle"). This steward, Novikoff, gives a remarkably vivid account of the experiences of his own ship, supplemented by accounts taken from the experiences of other men on other ships of the fleet, all witnesses of "the complete destruction of a floating city consisting of 38 ships with a crew of 12,000." With fierce and bitter realism the battle is described, the courage of men fighting under a disorganized command, the horrors of the blood-washed decks and the sick-room. There have been first-class war books before, but, as noted, Novikoff-Priboy describes not only his own experience, but also those of men in other parts of his own ship, and on other ships of the fleet. The book is of great value both as a notable contribution to the truthful depiction of war, and as giving insight into the amazing stupidity, conceit, and disorganization of the commanders of the Czarist fleet.

Considered in comparison with other events in the Russo-Japanese war, this last-named point is not exceptional but characteristic; it was true on land as on sea. Kuropatkin, nominally in supreme command of the land forces and with an intelligent awareness of the weakness of his armies as compared with the Japanese, arranged his troops so as to fall back, position by position, delaying the inevitable Japanese advance as long as possible while troops were being shipped eastward across Siberia and southward along the railway through Mukden. But Zasulitch, the noble officer in command of the forces on the Yalu, proudly defied instructions: "It was not the custom of a knight of the Order of St. George to retreat," he declared. And, indeed, he kept to his word until the Japanese attacked, when he led his men in a wild flight to the rear which greatly disorganized the defences behind, and —in spite of attempts by subordinates to form rearguards,—permitted the Japanese to move straight ahead, day after day, before the defence could be organized again. The most important land battles showed the same features. Even when the Russians had at last been reinforced to a point of great numerical superiority, the almost unbelievable manner in which commanders ignored the supreme command brought crushing defeats such as that at Mukden. Japanese generalship was not always brilliant, but the Japanese had the overwhelming advantage of being a cohesive and organized force, not a collection of officers some of whom could defy the supreme command with impunity.

As for Port Arthur itself, this fortress was almost impregnable with the armaments of those days. The Japanese lost terribly in their attacks upon some positions which could not possibly be taken. The powerful inner defenses were still in Russian hands, and there were provisions and military supplies on hands for months to come, when the command at Port Arthur surrendered the fortress to the Japanese, permitting the latter to throw their whole force against the Russian armies further north at Liaoyang.

The diplomacy of the Czarist Empire was as inept as its military organization was inefficient. At the time of the battle of Tsushima the Japanese had already exhausted their reserves of trained men, were facing serious food shortage at home (where millions faced famine, and were being fed by American and other relief bodies), and were borrowing desperately from the United States, —whose Government, strongly pro-Japanese under Theodore Roosevelt, was giving all practicable aid and support to Japan in the struggle. The Russians were well aware of this situation, and were steadily and rapidly building up an overwhelming army to the north of Mukden when the armistice was entered into, the Czar accepting Roosevelt's invitation to discuss peace with the Japanese at Portsmouth. It was the Russian plan to evidence its desire for peace by entering into these negotiations, making various concessions to the Japanese, finally breaking off because of Japanese "unreasonableness," and with a reorganized and irresistibly superior force driving the Japanese southward into the sea, regaining that warm-water port for which Russia had so long and bitterly contended against British resistance.

The diplomats, however, were completely deceived by a Japanese press campaign (of which they were of course fully informed by the Czarist "intelligence" service) for an enormous indemnity, which the Japanese diplomats themselves set forth as a vital point upon which their could be no compromise. Accordingly, the Russians conceded point after point, looking forward confidently to a final break on the question of the indemnity. Finally, with all other points settled and the world informed, and the Russians preparing to end the conference and the armistice because of the "indemnity" demand, the Japanese coolly announced that they had decided to forego the latter. The Russians could not go back on the agreements already reached, and they signed the Portsmouth Treaty—one of the most remarkable diplomatic victories in the history of the world, giving the Japanese all the Russian privileges and Russian railways in South Manchuria, transferring to them the Liaotung lease, and giving them that firm base from which they have since expanded to the occupation of the Four Northeastern Provinces—and considerable territory within the wall as well.

Russia, of course, prepared for a war of revenge, but Japanese diplomacy soon made this impossible also. France, disgusted with the incapacity and stupidity of her Eurasiatic ally, and delighted to lend money at interest to the Japanese, was brought into the 1907 entente with Japan (which is still in force) recognizing each other's respective spheres in Chinese territory—to the northeast and southwest respectively. Russia was isolated in the Far East, and had no choice but to accept the situation, subsequently entering into the series of treaties with Japan which culminated in the 1916 Russo-Japanese military alliance against the United States, —an alliance ended only by the Soviet Revolution.

All this is history. The book itself is more than history—it is an intense and vivid human record of the lives and deaths of men of the Russian fleet, steaming eastward under stupid and incompetent commanders into one of the greatest naval battles and most crushing and disgraceful defeats of all time. The book must be read.

H. H.

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## Mosaic Patterns of Indian Life Molded in Poetic Prose

*India Mosaic. Mark Channing. J. B. Lippincott Company, London.*

"India Mosaic" is a book which grows on one. With its brief chapters and their varied headings, it at first gives the impression of a collection of unrelated episodes. In Mark Channing it would seem we have another Peter Fleming, giving equally superficial and, one might hope, equally entertaining glimpses of the people and customs of India as Fleming did for China. The tendency to have each chapter end with a dramatic touch or an O'Henry surprise seemed sometimes unconvincing. A great hunter, with an almost superstitious confidence in his weapon, exchanges guns with a friend when hunting and is killed by the panther. Would such a man as he part with his own trusted weapon? A dying officer asked to have "Soapy Sponge's Sporting Tour" instead of the Scriptures read to him when dying. Would he? But truth being stranger than fiction, everything related probably happened, even with such dramatic appropriateness as when following close upon premonition or forewarning.

Sometimes a chapter with interesting caption seems incomplete, as in "Black Magic" where the magic is mentioned only in the last two or three paragraphs. Sometimes the author's prose is poetic; sometimes he misses the word, as in using "sensual" on p.102 where almost certainly he meant "sensuous."

But, if reader resembles reviewer even remotely, he will pick up the book to read one or two "mosaics," and find himself unwilling to skip a chapter. "The British Officer in India" is one of the best, and its very frank comments on how to control one's sex life on an isolated frontier, and thus maintain the traditions of the British Army in India, is like a breath of fresh air after the moral turpitude of most modern novels, not to mention autobiographies. One of the most beautiful chapters is "A Trichinopoly Idyll" about the "Lady of the Flowers."

The chapters are headed and often interspersed with choice quotations from the rich treasure of India's literature. Take the prayer of a Sufi woman:

> "O God! If I worship thee for fear of Hell, burn me in hell. If I worship thee in hope of Paradise, exclude me thence. But if I worship thee for Thine own sake, withhold not from me Thine everlasting beauty!"

Or this, from Johann Scheffler's "Cherubic Pilgrim" (not Indian literature this time):

"Whatever thou lovest, Man, that too, become thou must; God, if thou lovest God; dust, if thou lovest dust."

Nor is the beauty of line always in quotation. This British officer-author has evidently written poetry, too, and as mentioned above there is poetry in lines like these:

"The first time I walked down one of the seven-hundred-foot corridors of Rameshvarem temple a nautch-girl passed me like a bright red flame, and in her passing lit some taper in my mind. But the Wind of Things blew it out again . . ."

Again:

"Faithfulness to him whose salt you eat may be an almost forgotten virtue in the West, but it is still an unwritten law in India."

Or this:

"A cavalcade of arrogant thoughts rode through my mind."

The reviewer closes with this passage which ought to whet the appetite for more:

"Some optimist who had certainly never shared darkness with a thwarted panther wrote that "Fear is the Mother of Safety and the Father of Courage." It is neither. Did I face the situation with a sense of security and thrill of satisfaction? I did not. I yearned, sickeningly, to be up a tree. My skin prickled and my heart thumped. Dry-mouthed, I stared at spotted death, and there was no virtue in me . . . But fear is a form of mental paralysis which the mind can be made to overcome . . ."

If you want to read the rest of this encounter with a panther, you will want to read all, even what he learned from Hindu philosophy.

G. T. F.

## A Novel of California's Self-Help Cooperatives

*Co-op, A Novel of Living Together, By Upton Sinclair, Published by the Author, Pasadena, California. 426 pp. 1936.*

After a five-year silence, Upton Sinclair greets millions of his readers throughout the world with a book describing the birth and rise of self-help co-operatives in California.

The book, written shortly after Mr. Sinclair was defeated for the governorship of the State in a close and bitter election, resembles a campaign document more than a work of pure fiction. The writer's literary skill, however, saves it from mediocrity and oblivion.

The book is the history of the efforts of thousands of unemployed Californians to save themselves from starvation through the barter of their skills. The hungry men banded themselves together into co-operatives, which acted as clearing houses for their talents. Thus, a barber shaved gardeners' chins in exchange for tomatoes, grown on land no longer cultivated because of low prices on agricultural products; and a dentist pulled teeth in exchange for repairs on his house. The movement spread all over the State like wild fire, California boasting of 175 co-operatives in 1935.

The volume also enables Mr. Sinclair to air his political and social views and to present a long line of characters, including a fanatical communist, a white-slave-trafficker, an insane multi-millionaire and the President of the United States.

While many readers will undoubtedly disagree with some views expressed in the book, no one will fail to enjoy it for the boldness of its ideas or the mastery of its characterizations and descriptions.

M.

## A Highly Diverting Tale of Australian Sea Rovers and Pearl Divers

*Forty Fathoms Deep, by Ion L. Idriess. Published by Messrs. Angus & Robertson, Ltd., 89 Castlereagh Street, Sydney, Australia. Illustrated throughout. 343 pp. Price 6s.*

The romance of pearl divers and sea rovers in Australian Seas is told in this informative, education and highly entertaining book by the well-known Australian writer, Ion L. Idriess, who has now written on many phases of Australian bush, military, jungle and seafaring life.

The author has adopted a narrative style that makes the reader swallow a huge amount of practical information in large doses without the slightest effort at concentration.

The story of the pearl seas of northwestern Australia is told from its early beginnings through the boom period preceding the World War, the crash in the pearl market, the collapse of the industry, its efforts to revive and now the steady inroads by the Japanese pearling fleets which are to spell doom to the Australian pearlers unless some action is taken by the Australian Government to protect its own unique industry.

The story of Castillo Toledo's love affairs, Old Con's voodoo magic, the Bishop's ghost, the "Koombana," the Japanese riots and other highly diverting yarns make this a highly diverting as well as intensely informative book.

E. H. L.


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## "Democracy" Makes Appearance After Initial Delays

The first issue of the magazine, *Democracy*, after some delays has just made its bow before what should be a large reading public both in China and abroad. The new journal is issued at 7 Tung Tsung Pu Hutung, Peiping, and its Board of Editors consists of Chang Tung-sung, Harry Price, R. C. Sailer, Nym Wales, Hubert S. Liang, Ida Pruitt, Edgar Snow, and John Leaning as Managing Editor. All these people are well-known friends of China.

The aim of the magazine, which is to appear twice monthly, is that it shall be open to all pertinent fact and opinion on the Far East, a magazine owing allegiance to no political banner, conceived in a democratic spirt and dedicated to the promulgation of truth. Above all it is to be a free forum of opinion on all the vital problems growing out of the intensifying crisis in this part of the world.

Among the articles in the first issues, attesting to the editors' high aim, are "Japanese Diplomacy—Dr. Jekyll and Mr. Hyde" by Hubert S. Liang, "The Outlook for Democracy in China" by J. Leighton Stuart, "Portrait of a Rebel" by Edgar Snow, "China and Democracy" by Nym Wales, "The Story of Sian : I. Prelude to Mutiny," by James Bertram, and "The Dowager" by Ida Pruitt.

## Railways of China Described in "Quarterly Review"

The fourth issue of the *Quarterly Review of Chinese Railways* has just been published by the Institute of Railway Economic under the auspices of the Secretariat, Ministry of Railways, Nanking. The articles include "An Appreciation of Railways in China" by Sir Hughe M. Knatchbull Hagessen, "General Chiang's Five Year Plan of Railway Development" by Chang Kia-ngau, "Steel Bridges in the Economy of Railway Construction & Maintenance" by C. K. Chien, "Rolling Stock in the Economy of Railway Transportation" by Z. Z. Ing, "The Tientsin-Pukow Railway in 1936" by C. H. Yang, "The Capital Limited Express" by Huang Pe-tsiau, "A Three-Year Survey of the Peiping-Hankow Railway" by Y. C. Chen, "Operating Results of the Chinese National Railways" by Ven Way Woo, "Unification of Railway Control" by Fen-cheng Hsieh, "Utilization of Foreign Capital for Chinese Railway Development," etc.

Among the most interesting articles featured in this issue is that written by Chiang Kia-ngau, Minister of Railways at Nanking. The subject of his article is General Chiang's Five-year Plan for the development of China's railways. The article traces the events which led up to the country's present mileage and goes on to outline the general course which will be followed to increase this mileage year by year. The different railway systems are considered separately as to their needs and enlargement. Plans for the future not only include actual building of the lines, but also essential factors for reforming railway service. The problem of finance and utilization of foreign capital as the basis of any development is also outlined. The entire article gives the reader a general outline of just what the essential elements in China's railway plans are.

## Nankai Quarterly Discusses China's Trade Statistics

The *Nankai Social and Economic Quarterly* (April issue) contains a discussion of China's National Trade Statistics, by Chob-Ming Li; an article on the Coal Industry in China, by Leonard G. Ting; Some Practical Proposals for Chinese Co-operatives, by W. K. H. Campbell; on the Jewish Press in China, by Rudolph Lowenthal; a Summary Report of the Land Survey in China, by H. D. Fong, in addition to much other valuable matter.

## Miao Tribe Maidens Have Great Freedom in Choice of Spouses

Though culturally backward, the Miao people enjoy more freedom of marriage than many civilized races which are shackled by feudalistic ideas regarding matrimony and social intercourse between young men and women, a *Central News* staff correspondent writes from Kweiyang. Miao youths have ample chance to meet each other and make love at dances held during seasons when farm work is slack. At appointed times they assemble in a green lawn in their village. All are dressed in their best garments, the maidens especially not forgetting to put on their silver ornaments.

The young men bring with them their reed organs, measuring sometimes as long as ten feet. They gather at the center of the lawn and begin to blow the organs which issue a monotonous whistling sound. The girls form a circle around them. The party begins to dance, and sing love songs, keeping time with a brass drum.

As the participants become more and more elated by the romantic atmosphere, a dispersing signal, either by the beating of a gong or the firing of a cannon, is given, whereupon the young men run away to hide themselves while the girls chase them. When they get the men whom they love, they tie them with colored ropes and drag them back to the lawn. Those who get handsome young men proudly display their prey to their companions.

Dancing and singing are resumed. The young men blow their reed organs and dance more heartily than before if they love the girls who get them. The dispersing signal is given again. This time the girls run away to hide themselves while their beaux in turn seek for them and get them back, also tying them with ropes. Parents give ample freedom to their sons and girls to make love when they are up to the marriageable age. They encourage rather than interfere with their love affairs.

## English View on U. S. Supreme Court Issue

(*New Republic, N.Y., March 3*)

The Manchester *Guardian* is regarded as one of the best liberal newspapers not only in England but in the world; its opinions are always carefully weighed. The *Guardian's* explanation of the President's Court proposal for its English readers is more enlightening than most of those to be found in American newspapers, and we therefore reproduce it in part:

> In a large number of cases there is unanimity on the bench, but whenever it comes to a serious constitutional issue there is invariably a majority of six to three or five to four. The reason for this difference among lawyers arises because they are called upon to interpret words like "property," "contract" and "liberty," which depend not on legal training but on political philosophy. An American writer has put forward the analogy of a state which has accepted the Ten Commandments as its written Constitution and inquired, for example, how lawyers could be expected to deal impartially with a capital levy in the light of the precept "Thou shalt not steal." Obviously in such cases, as one of the present nine judges confessed, "the only check upon out exercise of power is our sense of self-restraint." In effect the Supreme Court has become a Third Chamber with the power to veto but not to originate, and in the name of freedom of contract and of property rights the six conservative judges have sought to establish a static society. Undoubtedly in many ways the Court is a valuable institution, but it is clearly a wrong principle that the future life of the American workers should be allowed to hang on the social predilections of a few elderly lawyers. To manage a delicate and aged mechanism like the AmericanConstitution requires judges with a point of view that is in touch with the social needs of the day. Mr. Roosevelt's proposals are, indeed, constitutional and democratic rather than partisan, because, if accepted, they will give the Presidents who comes after him a more frequent opportunity to leaven the Court with men whose views accord with those of the American people as expressed at the elections.

## Japanese Paper Says Strike Riots Incited by Secret Society

Due to the division of three blocs among the strikers of the local different silk factories; namely, the Labor Associations (left), the General Labor Union (right), and the Labor Associations, which are neutral in nature, riots and murders have thus been staged recently, the *Shanghai Mainichi* of May 6 stated. The most powerful General Labor Union has allegedly been backed by a certain famous secret society. The leftist Labor Associations consist of a small number of members, and yet they possess considerable influence among the workers.

### Strikers Beat Japanese News Agency Photographer

The *Shanghai Lih Pao* May 5 stated that a reporter named Nagaike, employed by the *Domei News Agency*, was badly beaten by members of the Third District Silk Workers' Union when he was found to have taken photos of the activities of the workers.


## A Word To Would-Be Millionaires.

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## Latest New York Stock Exchange Quotations

May 12, 1937

Stock Exchange—Business Done:-

Total Volume: 750,000 Shares

| 1936—37 High | 1936—37 Low | Div. $ per sh. | STOCK | Last Sale May 10 | Last Sale May 11 |
|---|---|---|---|---|---|
| 22⅝ | 9⅝ | 0.55 | Adams Express | 17⅛ | 17½ |
| 83½ | 35⅝ | 1.50 | Allis Chalmers | 62½ | 63 |
| 137½ | 98½ | 4.00 | American Can | 100⅛ | 99⅞ |
| 40⅝ | 27 | 0.00 | Amer. Cyanamid "B" | 30 | 30 |
| 13¾ | 6½ | — | American & For. Power | 8¼ | 8⅛ |
| 68⅞ | 29¾ | — | American & Foreign Pwr. $7. pfd. | 52½ | 52¼ |
| 29½ | 18¾ | 0.60 | American Radiator | 21⅝ | 21½ |
| 190⅛ | 149½ | 9.00 | Americacn Tel. & Tel. | 165⅝ | 164⅞ |
| 104 | 80⅝ | 5.00 | American Tobacco "B" | 81 | 80¾ |
| 29½ | 18¾ | 0.60 | American Waterworks | 19⅜ | 18¾ |
| 69½ | 28 | 1.00 | Anaconda Copper | 51¼ | 51⅛ |
| 93¾ | 59 | 2.00 | Atchison, T. & S. Fe | 88⅞ | 90¼ |
| 54¼ | 26⅝ | — | Auburn | 28⅜ | 28 |
| 40½ | 15⅞ | — | Baltimore & Ohio | 32¾ | 33⅝ |
| 105¼ | 45¾ | 1.50 | Bethlehem Steel | 84 | 83 |
| 49¾ | 16⅞ | — | Boeing Airplane Co. | 35½ | 36 |
| 17⅝ | 10⅞ | — | Canadian Pacific Railway | 12⅞ | 12⅜ |
| 186 | 92½ | 4.00 | Case, J. I. | 161½ | 163 |
| 100 | 59 | 3.00 | Chesapeake Corp. | 80 | 80½ |
| 77¾ | 51 | 2.80 | Chesapeake & Ohio | 56½ | 56⅝ |
| 138¾ | 85½ | 12.00 | Chrysler | 112¾ | 113¼ |
| 23⅝ | 12½ | 0.40 | Columbia Gas Electric | 13 | 12⅞ |
| 24⅝ | 14¾ | 0.60 | Coml. Sovents | 15¼ | 15⅛ |
| 5½ | 2¼ | — | Commonwealth & Southern. ord. | 2⅝ | 2½ |
| 49⅞ | 27¼ | 2.00 | Consolinated Edison | 37½ | 37½ |
| 17⅝ | 11½ | 0.80 | Consolidated Oil | 15⅜ | 15⅜ |
| 47⅛ | 28⅛ | 1.00 | Continental Oil | 42⅜ | 43 |
| 82½ | 57 | 3.00 | Corn Products | 57½ | 57 |
| 82¼ | 50⅝ | — | Douglas Aircraft | 51 | 51⅜ |
| 184¾ | 133 | 6.10 | Du Pont de Nemours | 155⅝ | 155 |
| 28⅛ | 15⅜ | — | Electric Bond & Share | 17¾ | 18⅛ |
| 64⅞ | 34½ | 1.00 | General Electric | 52 | 52¾ |
| 44¼ | 33⅜ | 2.00 | General Foods | 39¾ | 40 |
| 77 | 53⅜ | 4.50 | General Motors | 58¾ | 58¾ |
| 65⅛ | 32½ | 1.00 | General Railway Signal | 45 | 44 |
| 50½ | 13⅝ | 1.00 | Gold Dust | 42⅜ | 43 |
| 47⅜ | 21⅝ | 0.50 | Goodyear Tire & Rubber | 39¾ | 39⅝ |
| 87 | 57 | 1.00 | Humble Oil | 76¾ | 76½ |
| 73⅝ | 43¼ | 1.60 | International Nickel | 59¾ | 60⅛ |
| 19¼ | 10⅝ | — | International Tel. & Tel. | 10¾ | 10¾ |
| 69⅝ | 28¼ | 1.70 | Kennecott | 54¼ | 54⅝ |
| 84⅝ | 43 | 2.00 | Loew's Inc. | 76¼ | 76¼ |
| 28⅝ | 21⅛ | 1.20 | Lorillard | 22⅞ | 22 |
| 103 | 79 | 1.70 | Monsanto Chemical | 86⅞ | 86½ |
| 69 | 35¾ | 2.00 | Montgomery Ward | 51¾ | 51⅝ |
| 37¾ | 25⅛ | 2.19 | Nat. Bond Investment | 28 | 27⅞ |
| 28¼ | 21 | 1.20 | National Dairy Prods. | 22½ | 22¾ |
| 35 | 25⅝ | 2.00 | National Distillers | 30⅝ | 30⅝ |
| 14⅞ | 9⅝ | 0.60 | National Power & Lt. | 9⅞ | 10 |
| 55¼ | 27¾ | — | New York Central | 45¾ | 46½ |
| 36¾ | 23⅞ | 1.00 | North American | 24½ | 23⅞ |
| 41 | 29¼ | 2.00 | Pacific Gas & Electric | 29¼ | 29½ |
| 58¾ | 44 | 3.00 | Pacific Lighting | 44½ | 44¼ |
| 13⅝ | 6⅜ | 0.45 | Packard Motors | 9½ | 9½ |
| 50¼ | 28⅛ | 2.00 | Pennsylvania Railroad | 43⅛ | 43⅛ |
| 58⅝ | 38⅛ | 2.50 | Phillips Petroleum | 55 | 54⅞ |
| 52¾ | 39 | 2.60 | Public Serv. of N. J. | 41½ | 41¼ |
| 14¼ | 8¾ | — | Radio Corporation of Amer. | 9¼ | 9⅛ |
| 60½ | 50 | 3.00 | Reynolds Tobacco "B" | 50⅛ | 50¾ |
| 55⅞ | 37¾ | 3.00 | Schenley | 44⅛ | 44 |
| 101½ | 59⅝ | 3.00 | Sears Roebuck | 85⅝ | 85½ |
| 20½ | 12⅞ | 0.70 | Socony-Vacuum | 18½ | 18½ |
| 35½ | 24½ | 1.50 | Southern California Edison | 24½ | 24½ |
| 65⅝ | 23½ | — | Southern Pacific | 57⅞ | 57¼ |
| 18⅛ | 12⅞ | 0.80 | Standard Brands | 13 | 13 |
| 14⅞ | 5½ | — | Standard Gas & Electric | 8⅝ | 8¼ |
| 76 | 51½ | 1.00 | Standard Oil Co. of N. J. | 66½ | 67 |
| 78¼ | 64 | 3.80 | Sterling Products | 65½ | 65⅞ |
| 44¾ | 33 | 2.00 | Texas Gulf Sulphur | 36½ | 36¼ |
| 18⅛ | 11 | 0.40 | Transamerica | 14⅛ | 14 |
| 111 | 71⅝ | 2.80 | Union Caride & Carbon | 97¼ | 96¼ |
| 149¾ | 108½ | 6.00 | Union Pacific | 142 | 141½ |
| 35⅛ | 20⅝ | 0.50 | United Aircraft (New) | 25 | 25½ |
| 24⅜ | 13 | 0.20 | United Airline Trans. | 16 | 16⅛ |
| 13⅝ | 4 | — | United Corporation | 5 | 5 |
| 19½ | 13⅛ | 1.00 | United Gas Improvement | 13⅝ | 13½ |
| 59 | 31¼ | — | U. S. Indus. Alcohol | 35¼ | 34¾ |
| 71⅞ | 16⅜ | — | U. S. Rubber | 57¼ | 56½ |
| 126¼ | 46⅜ | — | U. S. Steel | 99½ | 99¼ |
| 39⅜ | 16¼ | — | Vanadium | 28 | 28⅛ |
| 18⅜ | 9¼ | — | Warner Bros. Pictures | 12½ | 12⅝ |
| 167⅝ | 94½ | 5.00 | Westinghouse Electric | 136 | 135½ |

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